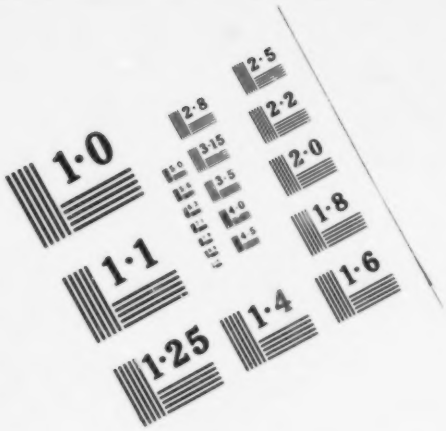

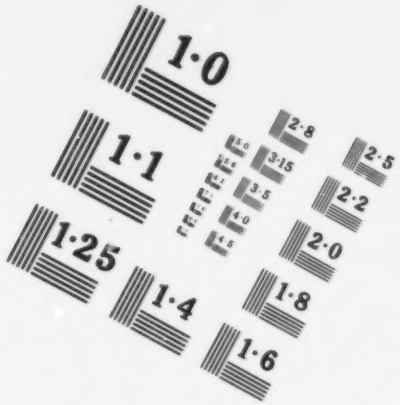

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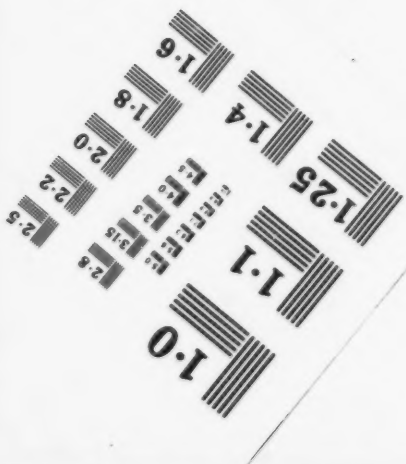

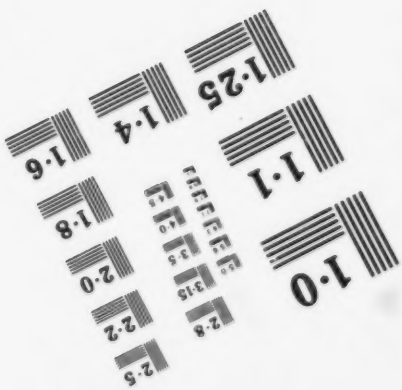

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GENERAL AND COMPLETE DISARMAMENT: INTERNATIONAL ARMS TRANSFERS

Study on ways and means of promoting transparency in international transfers of conventional arms

Report of the Secretary-General

1. In its resolution 43/75 of 7 December 1988, the General Assembly requested the Secretary-General to carry out, with the assistance of governmental experts, a study on ways and means of promoting transparency in international transfers of conventional arms on a universal and non-discriminatory basis, taking into consideration the views of Member States and other relevant information, including information on the problem of illicit arms trade. The Assembly requested the Secretary-General to submit the report to it at its forty-sixth session.

2. Pursuant to that resolution, the Secretary-General has the honour to transmit to the Assembly the study on ways and means of promoting transparency in international transfers of conventional arms.

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* A/46/150.

ANNEX

Study on ways and means of promoting transparency in international transfers of conventional arms

FOREWORD BY THE SECRETARY-GENERAL

One of the significant advances of recent years has been the appreciation of the value of transparency and openness in relations between States. It was this recognition that, in large part, led to the adoption by the General Assembly on 7 December 1988 of resolution 43/75 I, requesting a study on ways and means of promoting transparency in international transfers of conventional arms on a universal and non-discriminatory basis.

Between the date of adoption of the resolution and the completion of the work of the group of experts who carried out the study (July 1991), unprecedented changes in the international security environment took place. At the same time, other events have reminded us of the fragility of peace. Thus the preparation of the study was propelled by both a climate propitious for constructive change and a sense of urgency.

The group of experts notes that, in some cases, excessive arms build-ups are fuelled by misperceptions or miscalculations resulting from a lack of information about arms acquisitions. It further observes that a consensus is emerging among countries that international security and stability would be well served by increased openness and transparency in the military field in general, including the area of arms transfers.

At the same time, the study recognizes that the promotion of transparency in the international transfer of conventional arms is not a goal in itself but a means to serve other purposes: it is one element in the wider context of confidence-building measures, arms limitation and disarmament. To this end, the study adds, transparency can contribute to the building of confidence and security, the reduction of suspicions, mistrust and fear, and the timely identification of trends in arms transfers. In such ways, transparency measures can promote and facilitate the introduction of unilateral or multilateral measures of restraint. For many years I have called attention to the need for restraints on arms transfers.

A practical recommendation made by the group of experts, to which I attach the greatest importance, is the creation of a universal and non-discriminatory register of arms transfers under the auspices of the United Nations, which should include arms suppliers and recipients and should be implemented so as to allow for standardized and comparable input from all States. The report contains a number of other recommendations for actions by States that, if implemented, could do much to promote cooperation and restraint in arms transfers, not least at the regional level.

I wish to express my sincere appreciation to the governmental experts for their work. Their report is timely and its recommendations offer pragmatic steps towards improved international confidence and security. I therefore commend the report to the General Assembly for its consideration.

LETTER OF TRANSMITTAL DATED 5 JULY 1991 FROM THE CHAIRMAN OF THE GROUP OF EXPERTS ON THE STUDY ON WAYS AND MEANS OF PROMOTING TRANSPARENCY IN INTERNATIONAL TRANSFERS OF CONVENTIONAL ARMS ADDRESSED TO THE SECRETARY-GENERAL

I have the honour to submit herewith the report of the Group of Experts on the Study on Ways and Means of Promoting Transparency in International Transfers of Conventional Arms, which was appointed by you in pursuance of paragraph 5 of General Assembly resolution 43/75 I of 7 December 1988.

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The report was prepared between January 1990 and July 1991, during which period the Group held four sessions in New York, the first from 22 to 26 January 1990, the second from 16 to 27 July 1990, the third from 21 January to 1 February 1991 and the fourth from 24 June to 5 July 1991.

The Group is particularly indebted to the late Ambassador Eugenio Plaja, who participated as an expert from Italy and served as its Chairman at the first two sessions, for his valuable counsel and wise guidance. At the first session of the Group, Mr. Archelaus Turrentine of the United States of America participated as an expert. At the first two sessions of the Group, Dr. Peter Schreiber of the German Democratic Republic participated as an expert until 3 October 1990.

In carrying out its work, the Group had before it relevant publications and papers which were circulated by members of the Group.

The members of the Group wish to express their appreciation for the assistance which they received from members of the Secretariat. They wish, in particular, to thank Mr. Yasushi Akashi, Under-Secretary-General for Disarmament Affairs, Mr. Timur Alasaniya, who served as Secretary of the Group, and Dr. Christian Catrina, who served in his private capacity as consultant to the Secretariat.

I have been requested by the Group of Experts, as its Chairman, to submit to you, on its behalf, this report, which was unanimously approved.

(Signed) Ian McDONALD
Chairman of the
Group of Experts on the Study on
Ways and Means of Promoting Transparency in
International Transfers of Conventional Arms

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INTRODUCTION

1. The source of the present study is two draft resolutions introduced by the representatives of Colombia and of Italy in the First Committee of the General Assembly on 7 November 1988. The two draft resolutions were combined into one, which was introduced by the representative of Colombia on 18 November 1988; on 7 December the General Assembly adopted it as resolution 43/75 I.

2. Convinced that arms transfers in all their aspects deserved serious consideration by the international community, the General Assembly requested the Secretary-General to carry out, with the assistance of governmental experts, a study on ways and means of promoting transparency in international transfers of conventional arms on a universal and non-discriminatory basis, taking into consideration the views of Member States and other relevant information, including information on the problem of illicit arms trade, for submission to the General Assembly at its forty-sixth session. (See appendix I.)

3. The issue of international arms transfers and the illicit arms trade has for many years attracted the interest and concern of the international community. The present study, however, is the first United Nations study devoted specifically to this issue. During the course of the Group's deliberations, this intrinsically important subject has moved high on the international agenda. As a result, the Group prepares its report at a time when the climate for constructive change in this field is particularly propitious and when the international community considers the need for such action to be most urgent.

I. OBJECTIVES, SCOPE AND CONTEXT OF THE STUDY

4. The study has been carried out against the background of the purposes and principles of the United Nations. The purposes of the Organization, as set out in Article 1 of the Charter, include the maintenance of international peace and security, the development of friendly relations among nations and the achievement of international cooperation in solving international problems of an economic, social, cultural, or humanitarian character and in promoting and encouraging respect for human rights and fundamental freedoms. Articles 11 and 26 refer to the role of the United Nations in the regulation of armaments.

5. According to Article 2, paragraph 3, of the Charter, all Member States shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered. Article 2, paragraph 4, provides that Member States shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the Organization. Chapter VII of the

Charter entrusts the Security Council with the task of determining the existence of any threat to the peace, breach of the peace, or act of aggression, and of making recommendations, or deciding what non-military or military measures should be taken in accordance with Articles 41 and 42, to maintain or restore international peace and security. Article 51 states that nothing in the Charter shall impair the inherent right of individual or collective self-defence if an armed attack occurs against a Member State until the Security Council has taken measures necessary to maintain international peace and security.

6. Consequently, States have the right to maintain and equip armed forces for their defence. At the same time, the international community has long been aware that the exercise of this right - particularly when it goes beyond reasonable defence needs - can have negative consequences for the security of individual States, for regional and international stability and for social and economic development. In generic terms this dilemma has been the subject of continuous debate and study in the United Nations in a search for arrangements whereby the security interests of States can be met at the lowest possible level of armament. In the present context, the General Assembly, in resolution 43/75 I, expressed its conviction that international arms transfers in all their aspects deserved serious consideration by the international community.

7. The objective of this study is to examine ways and means of promoting transparency so as to encourage prudent restraint by States in their arms export and import policies and to reduce the risks of misunderstandings, suspicion or tension resulting from lack of information concerning arms transfers. In order to proceed with this task, it has been found necessary to include some preliminary considerations and to shed some light on the more important aspects of contemporary arms transfers, including their reasons and consequences and their relationship with security, arms limitation and disarmament.

8. The illicit arms trade is very destabilizing and detrimental to national and international security. The Group of Experts found it to be a distinct phenomenon that deserved to be dealt with separately in this report.

9. According to the mandate given by General Assembly resolution 43/75 I, the scope of this study is limited to transparency in international transfers of conventional arms. Weapons of mass destruction are the subject of relevant international agreements already existing or currently under negotiation - i.e., the Treaty on the Non-Proliferation of Nuclear Weapons, 1/ the Treaty for the Prohibition of Nuclear Weapons in Latin America (Treaty of Tlatelolco) 2/ and the South Pacific Nuclear-Free Zone Treaty (Treaty of Rarotonga), 3/ the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (General Assembly resolution 2826 (XXVI), annex) and the proposed conventions on the prohibition of chemical and radiological weapons. None of these instruments allow or would allow for transfers of the respective weapons. In the remainder of this study, therefore, the expression "arms transfers" always refers to international transfers of conventional arms.

10. There is no universally accepted and definitive concept of what is covered by the phrase "international transfers of conventional arms". The most conspicuous and easily understood definition would cover shipments of hardware such as major weapons systems, and certainly under any definition, the transfer of such equipment would be considered as an arms transfer. It would, however, be a matter of interpretation as to whether all weapons platforms would be considered arms. The export of a helicopter, for instance, particularly if it is not fitted with or for weapons systems, might not be considered as an arms transfer. The provision of spares for weapons systems might also present a definitional difficulty. While it might be tempting to resolve these difficulties by making the definition depend on the end user (i.e., if the end user is military, the goods would be classified as arms; if the end user is civilian, they would not) such an approach precipitates another difficulty. The military uses a wide range of normal commercial commodities (such as fuel and medical supplies) that would not easily be thought of as arms. There is also the contentious problem of dual-use equipment - i.e., equipment with both military and civilian applications.

11. Recognizing these complexities and accepting that sometimes there will be ambiguous or borderline cases, the Group decided not to attempt to produce an all-encompassing definition of international arms transfers. In practice, it would certainly include military hardware, such as weapons systems, the munitions and military platforms for such systems and their components and spares. Transfers of technical knowledge and services directly related to the production, operation or maintenance of conventional arms can be as important as the transfer of the equipment itself and thus should also be considered. Similar consideration should be given to foreign technical support in maintaining and overhauling weapons systems and to construction by foreign contractors of facilities necessary for operating, maintaining or producing conventional arms.

12. Arms transfers can in principle be divided into four categories, depending on the type of supplier and recipient:

(a) Government-to-government transfers;

(b) Transfers of arms from governments to individuals or groupings in another State (e.g., to rebellious groups);

(c) Transfers of arms from individuals or private companies in one State to the government of another State (commercial sales);

(d) Transfers of arms from individuals or private companies in one State to individuals, groupings or companies in another State.

The categorization of transfers can be complicated by the addition of one or several third parties or intermediaries between the original supplier and the final recipient. Many governmental and non-governmental entities may be involved in an international transfer of conventional arms. On the supply side, research, development, testing and production of the weapons platforms

and of the actual weapons (e.g., missiles, cannons) may be carried out by different companies with or without involvement by governmental agencies. When it comes to transfers, governments may, in some cases, limit their involvement in arms transfers to control - e.g., by means of export licences. In other cases governments do not merely control arms exports but may promote them by international diplomatic contacts and export credit guarantees. In still other cases, the government acts formally as supplier - i.e., it purchases the arms on behalf of the foreign recipient, becoming temporarily the owner, before the arms are sold in a government-to-government transfer in the narrow sense. On the recipient side the government is usually formally the buyer and the armed forces take delivery of the arms and operate them, but the complexity of the transaction and number of parties involved may be increased if the weapons systems in question, or parts of it, are to be produced partially or fully in the recipient country with foreign assistance.

13. In the broadest sense, arms transfers involve conventional weapons and other conventional military equipment designed to be used by military institutions. This would include components, services and knowledge directly related to the production or operation of conventional arms. For an international transfer to have occurred, the control over the equipment, services or knowledge must have been transferred to a recipient (government, grouping, company or individual) located outside the supplier State. Usually this implies that conventional arms (including components, services, and knowledge) are moved from the territory of one State to that of another State. As an exception, an international transfer of arms can also take place when forces stationed abroad acquire conventional weapons from the host country or transfer weapons to that country. However, the supply of conventional arms by a State to its units stationed abroad is not considered to be an international transfer of arms, in spite of the movement from the territory of one to that of another State, because control of the arms is not transferred.

14. The concept of transparency is related to that of openness. Openness is signified by a general national policy of making public information on military matters. It is a function of a State's governmental system and practice. Transparency, on the other hand, has come to be understood as involving systematic provision of information on specific aspects of activities in the military field under informal or formal international arrangements. It reflects willingness of all States participating in such arrangements to practice openness at least in the areas of information covered by them. Depending on the specifics of such arrangements, relevant information can be made available between States or to a central repository. Transparency can be tailored to specific interests, practised to varying degrees and adaptable to progressive evolution. In particular, it is designed to respond to specific security interests or concerns of the States involved. It is, therefore, only feasible when countries participating in related measures find that it serves their national and international security interests. While different in scope, both openness and transparency contribute to confidence among States and reduce the risk of misunderstanding or miscalculation.

II. REVIEW OF PAST AND CURRENT PROPOSALS AND PRACTICES TO PROMOTE TRANSPARENCY OR REGULATE ARMS TRANSFERS

A. Within the United Nations

15. Before the tenth special session of the General Assembly, the first special session devoted to disarmament, there had already been recurrent initiatives in the General Assembly concerning conventional arms transfers, all of which, however, failed to reach the necessary agreement. In 1965, Malta submitted a draft resolution to the General Assembly, by which the Assembly would have invited the Eighteen-Nations Committee on Disarmament to consider the question of transfers between States, by way of trade or otherwise, of arms, ammunition and implements of war, with a view to submitting to the Assembly proposals for the establishment of a system of publicity through the United Nations.

16. In 1968 Denmark, together with Iceland, Malta, and Norway as co-sponsors, submitted a draft resolution, by which the Assembly would have requested the Secretary-General to ascertain the position of Member States on a United Nations register of arms transfers, on the collection and publication by the United Nations of information on arms transfers and on practical measures to be taken towards that end.

17. At the thirty-first session of the General Assembly, in 1976, 13 countries sponsored a draft resolution in which the Assembly would have called upon the Secretary-General to conduct a factual study of the international transfer of conventional arms and asking Member States to communicate their views and suggestions to the Secretary-General. That draft resolution was subsequently amended to incorporate arms production as well as transfers. The amended draft elicited mixed reactions, and a majority voted to adjourn the debate.

18. At the tenth special session of the General Assembly, in 1978, a large number of States took up the issue of international transfers of conventional arms. It was suggested that the United Nations undertake a study on the subject, to register arms transfers and to control the illicit trade in arms. Two paragraphs of the Final Document (Assembly resolution S-10/2) refer specifically to international transfers of conventional arms. Paragraph 22 calls, *inter alia*, for negotiations on the limitation of international transfers of conventional armaments, and paragraph 85 calls for consultations among supplier and recipient countries:

> "Consultations should be carried out among major arms supplier and recipient countries on the limitation of all types of international transfer of conventional weapons, based in particular on the principle of undiminished security of the parties with a view to promoting or enhancing stability at a lower military level, taking into account the need of all States to protect their security as well as the inalienable right to self-determination and independence of peoples under colonial or foreign domination and the obligations of States to respect that right,

in accordance with the Charter of the United Nations and the Declaration of Principles of International Law concerning Friendly Relations and Cooperation among States."

19. At the request of the General Assembly in various resolutions, the Secretary-General, with the assistance of groups of governmental experts, carried out several studies relevant to the subject of international transfers of conventional arms, in particular the following:

(a) Relationship between disarmament and development (A/36/356);

(b) Comprehensive study on confidence-building measures (A/36/474);

(c) Relationship between disarmament and international security (A/36/597);

(d) Economic and social consequences of the arms race and military expenditures (A/8469/Rev.1, A/32/88/Rev.1, A/37/386, A/43/368);

(e) Study on conventional disarmament (A/39/348);

(f) Study on all aspects of regional disarmament (A/35/416);

(g) Reduction of military budgets (A/35/479, A/S-12/7, A/40/421).

The present is the first one from the United Nations dealing exclusively with aspects of international transfers of conventional arms, in particular, ways and means to promote transparency. In connection with General Assembly resolution 43/75 I, which provides the mandate for this study, the Secretary-General also reported on the views and proposals of Member States regarding international arms transfers (see A/44/444 and Add.1-3, A/45/363 and Add.1, A/45/413 and A/45/133).

20. In its report to the General Assembly the Disarmament Commission in May 1990 included a paragraph on arms transfers:

"Arms transfers can have serious implications for conventional disarmament, as recalled in the Final Document. Arms transfers should be addressed in conjunction with the questions of maintaining international peace and security, reducing international tension, enhancing confidence, and promoting disarmament as well as social and economic development. Restraint and greater openness can help in this respect and contribute to the promotion of international peace and security. In this context, the grave consequences of illicit traffic in arms deserve substantive consideration." 4/

21. The Security Council has adopted several resolutions relating to arms transfers. By resolution 181 (1963) of 7 August 1963, it urged all members of the United Nations to cease arms transfers to South Africa. After that resolution had met only partial success, a mandatory arms embargo against

South Africa was imposed by the Security Council in resolution 418 (1977) of 4 November 1977. In resolution 232 (1966) it imposed sanctions, including an arms embargo, against Southern Rhodesia. In 1990, an arms embargo against Iraq was imposed by it in resolutions 661 (1990), 687 (1991) and 700 (1991).

B. Outside the framework of the United Nations

22. Apart from the law of neutrality, the first international measure concerning arms transfers was included in the General Act for the Repression of the African Slave Trade (Brussels Act) of 1890. Within the context of putting an end to the slave trade, it prohibited the introduction of all arms and ammunition other than flintlock guns and gunpowder into Africa between latitudes of 20° North and 22° South.

23. After the First World War, it was widely felt that the regulation of arms transfers could considerably contribute to world peace. As a consequence, the Covenant of the League of Nations, adopted in April 1919, included an article on arms transfers:

> "Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Members of the League [...] will entrust the League with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest." (Art. 23, para. d)

24. The first attempt to translate this general postulate into concrete obligations was the St.-Germain Convention for the Control of the Trade in Arms and Ammunition (1919), worked out by the plenipotentiaries of the Peace Conference with the objective of submitting all members of the League of Nations to such control. A comprehensive list of armaments was drawn up, to which different regulations were applicable. A central office to be established by the League of Nations was to receive copies of all export licences and publish them. The arms-producing countries had decided to ratify the Convention together or not at all. Since the United States of America did not become a member of the League of Nations and did not ratify the Convention, it did not enter into force, even though 23 States had signed it. The League of Nations decided in 1920 to establish a commission (the so-called Temporary Mixed Commission) to revise the Convention so that it would be acceptable to all arms-producing countries.

25. In 1923 the Temporary Mixed Commission presented its first report to the Assembly, proposing that the Secretariat of the League of Nations should publish a yearbook. This proposal was accepted, and from 1924 to 1938 the League of Nations published 15 volumes of the Armament Yearbook, containing summaries of the strength and equipment of armed forces during peacetime. Some editions also contained data on the production and transfer of military equipment. But it was another yearbook that focused more specifically on arms transfers. The Council of the League of Nations decided in 1924 that the Secretariat should periodically publish statistics on the international trade

in arms and that all States should provide documents to facilitate the task. The first Statistical Yearbook of the League of Nations was published in 1925, and it continued up to 1938. The first volume covered 23 countries; the last one, 60 countries and 64 colonies, protectorates and mandated territories. It showed the values of imports and exports based on official national statistics. Although the statistics were improved during the 15-year period, the figures were approximate, incomplete and generally not comparable, due to national differences in trade classification systems, the valuation of arms transfers and different practices regarding the disclosure of countries of origin or destination. Moreover, some important categories of arms, such as heavy artillery, tanks, warships and military aircraft, were practically excluded, reflecting the structure of the foreign trade statistics on which the Statistical Yearbook was based.

26. The first Statistical Yearbook of the League of Nations was compiled in preparation for the Conference (of the League of Nations) on the International Trade in Arms of May 1925 in Geneva. For this Conference the Temporary Mixed Commission had elaborated a draft convention on the arms trade. Its main purpose was, however, not to reduce international transfers of arms considered to be legitimate, but to prevent illicit arms trade by means of export licensing by governments and publicity in the form of statistics on arms transfers. The draft convention distinguished between five categories of arms:

Category	Requirements
Arms exclusively designed for land, sea and air warfare	Government-issued export and import licence required
Arms capable of use both for military and other purposes	Government-issued export licence required but no prior authorization by Government of the importing country necessary
War vessels and their normal armament	Detailed information to be published on vessels transferred and those constructed for another State, including armaments on board
Aircraft (assembled or dismantled) and aircraft engines	Information to be published on quantities of aircraft and aircraft engines exported, including country of destination
Gunpowder, explosives and arms not covered by the first two categories	No restrictions, except for transfers into "special zones" in Africa and the Middle East

Considerable controversy was aroused by the fact that the publicity required by the draft convention would concern only the transfer - but not the production - of arms. In the end, the Conference did not reach agreement, and the regulations did not, therefore, attain legal standing. A special committee was set up to examine the production of arms. In 1929, it produced a draft convention that would provide for publicity of the production as well as of the international transfer of arms.

27. That draft convention was considered by the World Disarmament Conference, convened under the auspices of the League of Nations, in 1932 in Geneva. A Committee for the Regulation of Trade in the Private and State Manufacture of Arms was established. In April 1935 it published a report that reflected the unanimous view that an effective system for the control and regulation of arms transfers and arms production was essential. There existed, however, differences of opinion on the precise nature of the measures of publicity and control. The rise in international tension and re-armament from 1935 to the outbreak of the Second World War effectively blocked any prospects for controlling the manufacture and trade in arms.

28. After the Second World War, the intensity of international efforts to provide for some measure of publicity or restraint in arms transfers was much lower than in the inter-War period. In contrast to earlier times, arms transfers were now largely under governmental control, and arms transfers were regarded as a major element within formal and informal alliance systems. Both aspects served to decrease the perceived urgency of publicity or restraint measures for arms transfers. Further, the emergence of numerous newly independent States, establishing their national armed forces, increased the demand for arms transfers.

29. In 1950 France, the United Kingdom and the United States of America signed the Tripartite Declaration on the Middle East, in which they pledged to send to Israel and the Arab States only such arms as they needed for their internal security, legitimate self-defence and the defence of the area as a whole. The Declaration lapsed with the outbreak of the Suez conflict of 1956.

30. In the framework of the West European Union, a draft recommendation on the international trade in armaments was adopted in 1969 by the Committee on Defence Questions and Armaments for consideration by the Assembly of the Union. According to the draft, member States should make every effort to ensure that all trade in armaments be strictly controlled and that arms-producing countries cease to export major armaments likely to increase the risk of war. The Assembly of the Union adopted the recommendation, but the WEU Council of the Union argued that an effective international agreement would require the support of all major supplier countries and that the attitude of recipient countries would also be a key factor.

31. On 9 December 1974, representatives of Argentina, Bolivia, Chile, Colombia, Ecuador, Panama, Peru and Venezuela signed the Declaration of Ayacucho (see A/10044, annex), whereby they undertook

"... to promote and support the building of a lasting order of international peace and cooperation and to create the conditions which will make possible the effective limitation of armaments and an end to their acquisition for offensive purposes, so that all possible resources may be devoted to the economic and social development of every country in Latin America."

On 22 June 1978, the Foreign Ministers of the eight signatory States of the Declaration expressed their willingness to explore, together with the other Latin American countries, possibilities for reaching an agreement on limiting conventional weapons in Latin America. At an informal meeting at Tlatelolco in August 1978, attended by representatives of 20 Latin American States, consideration was given to establishing a flexible consultative mechanism to study and make recommendations on the possible limitation of the transfer of certain types of conventional weapons to Latin America and among the countries of the region.

32. In 1977 and 1978 the United States and the Union of Soviet Socialist Republics held four rounds of conventional arms transfer talks. Due to differences that arose around a number of issues, the negotiations were not continued.

33. In 1978, the International Peace Research Association recommended to the tenth special session of the General Assembly that the United Nations should publish an annual global arms trade register. Two years later, the Independent Commission on International Development Issues recommended that increased efforts should be made to reach agreements on the disclosure of arms exports and exports of arms-producing facilities. Moreover, the international community should reach agreement to restrain such deliveries to areas of conflict or tension.

34. In April 1987, Canada, France, the Federal Republic of Germany, Italy, Japan, the United Kingdom, and the United States agreed on guidelines for sensitive missile-relevant transfers (the Missile Technology Control Regime). The guidelines are intended to limit the risks of nuclear proliferation by controlling transfers that could make a contribution to nuclear weapons delivery systems other than manned aircraft. These delivery systems were defined by range and payload. Inasmuch as nuclear-capable missiles could also be equipped with conventional warheads, the guidelines also have an indirect impact on transfers of one particular category of conventional arms (i.e., missiles). Australia, Austria, Belgium, Denmark, Luxembourg, the Netherlands, New Zealand, Norway and Spain have subsequently become members to the Control Regime. The Soviet Union has announced its readiness to observe the guidelines of the Control Regime.

35. The European Parliament, in a resolution adopted on 14 March 1989, called on the Commission of the European Community to publish a yearly report on arms exports by the EC member States in order to enhance transparency. The EC member States were called upon to authorize their customs officials to verify the validity of end-user certificates and to demand such certificates also for

transfers to private companies in other EC member States in order to prevent circumvention of embargoes by third parties within the EC. The European Parliament expressed itself in favour of requiring a confirmation by the end-user that it has taken possession of the equipment or goods in question. The EC shall, according to the resolution, develop a common arms sales policy, so that effective export restrictions can be introduced and the short-term economic disadvantages of potential limitations spread among the member States.

36. On 27 September 1989, the Parliamentary Assembly of the Council of Europe adopted resolution 928 (1989) on arms sales and human rights. By this resolution the Assembly called on the member States, inter alia, to initiate the setting up of an open register on the production and trade in conventional weapons, to which all members of the United Nations should be invited to adhere, such a register to be organized in cooperation with existing specialist organizations, such as the Stockholm International Peace Research Institute and the London International Institute for Strategic Studies. The Assembly also called for the establishment of common criteria and definitions for arms transfers and the incorporation of such criteria in national legislation.

37. In the Esquipulas II accords of 1989, Central American States agreed on the cessation of all forms of military aid such as the supply of weapons, munitions and logistic support - with the exception of humanitarian aid - to irregular forces and insurrectionist movements active in the region and they also agreed on the prevention of the use of the territory of any State for attacks on any of the other States. By resolution 644 (1989) of 7 November 1989, the Security Council entrusted the United Nations Observer Group in Central America (ONUCA) with the responsibility of verifying compliance by the five Governments with the security undertakings in the Esquipulas II accords.

38. The above compilation of proposals and practices is not exhaustive. Any inclusion or omission in this study does not imply a value judgement.

III. REASONS FOR AND CONSEQUENCES OF ARMS TRANSFERS

39. Arms transfers are carried out for a multitude of reasons and have numerous consequences, both for suppliers and recipients, for third States and for the international community at large. They may, in some circumstances, increase security and stability. In other circumstances, they may contribute to tension and instability, increase the risk of conflict or make conflicts longer and more inhumane. Depending on the circumstances, arms transfers may have both positive and negative consequences for national economies and social development. Against this broader background and in the light of the international community's special concern for the negative consequences, the following discussion addresses more specifically the reasons for, and consequences of, arms transfers with respect to supplier and recipient.

40. Arms transfers are often ambiguous and evade a simple judgement because suppliers and recipients have many interests or reasons (which may only partially coincide) and because arms transfers have many consequences (some of which may be unintended). Supplier and recipient, at the time they conclude a transfer agreement, will both regard the recognized positive consequences as outweighing the recognized negative ones. If the contrary were true, one or both of them would not conclude the agreement. Sometimes the choice can be the lesser of the perceived evils, and sometimes the full range of consequences is not fully taken into account and given the proper evaluation. As in many other political decisions, there may be a tendency to focus on short-term perceived interests. Long-term implications may not always be given proper weight or foreseen. It is important to note that the advantages of arms transfers, as in many other areas of life, can often be ascribed to beliefs or expectations rather than to a record of demonstrated performance.

41. For the following description of reasons for and consequences of arms transfers, it is important to keep in mind that not all of the reasons and consequences apply equally to all suppliers and recipients. Indeed, they vary considerably from one State to another.

A. Suppliers

42. Supplier States can have politico-military and socio-economic reasons for exporting arms. The absolute and relative strength of these reasons varies among supplier States, but arms exports conducted with the active involvement of Governments involve always political as well as economic considerations. For a small number of major supplier States, the politico-military reasons are probably in most cases predominant. Economic reasons may be relevant but of secondary importance, compared to the larger political objectives. For other suppliers, especially smaller ones, arms exports are primarily a means of supporting their defence industries and are a component of foreign trade, even though arms exports may be coordinated with their general foreign policy and in some cases be employed in support of specific foreign policy objectives.

1. Politico-military aspects

43. Shared security interests, in particular within the framework of multilateral or bilateral security arrangements, are one of the major reasons for arms transfers. They are intended to enhance the military capabilities of friendly States and to strengthen their ability to pursue politico-military objectives shared with or supported by the supplier. In some situations the supplier may regard arms transfers as a substitute for the foreign deployment of arms forces or for direct military involvement. According to this line of thought, the strengthening of the recipient's military capabilities by arms transfers may make it unnecessary to provide a security guarantee through the deployment of troops in the recipient country, or it may allow the reduction of troops if such are already stationed there. If a country to which the supplier has a security commitment becomes engaged in armed conflict, arms

transfers may be seen as an alternative to direct military involvement. However, arms supplies may not be an alternative to, but rather a precursor of, direct military engagement. The armed forces of the supplier country may be utilized to effect the transfer, incurring the risk that they may be attacked and that the supplier country may be drawn into the military conflict. The large-scale supply of arms by a major military Power is moreover often, if not always, regarded as a message of support. The limits of this implied support and commitment are, however, often not clear. The supplier may, if an important recipient becomes involved in war, be unable to draw a clear line and may incrementally increase its involvement.

44. Arms exports may be motivated not only be the interest in increasing the recipient's security but, in addition, by the more general desire to strengthen regional stability and contribute to the preservation of peace by increasing the recipient's military capabilities. If this objective is to be served, a careful evaluation is required not only of the distribution of military capabilities and of the political intentions or threats in the recipient's environment, but also of the potential reaction by other countries to the transfer. Owing to the subjectivity of each Government's evaluation of the security situation in any given region, even arms transfers intended to be stabilizing may increase political tensions, intensify regional conflicts or even provoke arms races to the detriment of stability and peace.

45. Arms transfers by major suppliers, especially large-scale transfers and transfers of advanced arms, often amount to a message of support for the recipient or even an implied, if also ill-defined, political commitment. Suppliers may in some cases consider this a useful political instrument. At the same time they may be publicly associated with recipients not only in those cases where it fits their political interests, but also where it is damaging to them, for example when a recipient uses arms for aggressive purposes. Arms transfers in some cases could also be used by the suppliers to exert influence and leverage.

46. Depending on the internal and external stability of the recipient State, transferred arms may in the end be turned against the supplier's interests. A reorientation of the foreign policy of the recipient country could occur, which could perhaps even lead to the recipient country using the arms against the supplier, or the recipient could re-transfer arms to third parties inimical to the original supplier. Finally, the recipient could become engaged in armed conflict and arms might be captured by a third party hostile to the original supplier.

47. Where for military, political, economic or other reasons a group of States seeks to standardize their military equipment, transfer of conventional arms can serve to promote this objective.

2. Socio-economic aspects

48. Among the major motives for arms exports conducted on commercial terms are their expected economic consequences. Several types of financial benefit are claimed for the Government of the supplier State: a more favourable balance of payments and lower unemployment; and reduced military procurement expenditure made possible by reduced unit costs due to the impact of arms transfers. Those are apart from commercial-industrial benefits to private companies or State-owned plants producing arms.

49. Like other exports, arms sales may contribute to a favourable balance of payments. The economic benefits of a given transfer depend directly on its financial terms. For some countries it is not only the contribution to the balance of payments that makes arms sales appear economically attractive, but also the associated inflow of foreign exchange. Suppliers may sometimes also expect that arms transfers may induce the recipient country to give their countries priority when civilian orders are placed. At the same time, however, arms transfers can displace exports of commercial goods if they compete for the same finite financial resources of recipient countries. In general, the contribution of arms transfers to export earnings and to the balance of payments is not insignificant, but neither is it continuous nor crucial, with very few exceptions.

50. Arms exports may contribute to employment in the producer country. Since arms for export and those for the armed forces of the producer State are produced on the same production lines and the same work-force may be engaged in both military and civilian production, it is difficult precisely to quantify the impact on employment of arms exports. It has been estimated in the late 1970s and early 1980s that in statistical terms arms exports account directly and indirectly for hundreds of thousands of jobs in the arms-supplying countries. Mere numbers may not adequately reflect the employment benefits if the economic effect is concentrated on technologically advanced industrial sectors (such as aerospace) and in certain geographic regions. However, restraint or even signficant reductions in arms exports would on a macro-economic level not have a crippling effect on employment. A partial conversion to non-military production could with retraining, when necessary, provide in time the same number of jobs, and possibly even more.

51. In States where the requirements of the armed forces do not suffice to maintain research, development and production across the whole range of advanced weapons systems, arms exports may be seen as a precondition for, or important contribution to, sustaining an indigenous defence production base. Arms production, like any other production, cannot be reduced below a certain level without incurring significant economic penalties; a certain quantitative level, which differs from project to project, is necessary to keep unit costs competitive. The State may, for political and security reasons - such as avoiding dependence on foreign suppliers - be willing to pay a premium for domestically produced arms, but only up to a point. The extension of production runs by exports allows a reduction in unit costs.

52. Arms exports may, if they constitute a significant proportion of overall production, result in the dependence of the producer country or company on the international arms market, which is highly competitive and not marked by stability. Owing to the unpredictable nature of international arms transfers, foreign orders may come at an inappropriate time, they may not prevent the interruption of production or they may interfere with the supply of arms to the producer State's own armed forces. Large arms export orders may alleviate economic-industrial problems, but if they result in an expansion of production capacities, they can create pressure for increased arms exports in the future.

B. Recipients

53. Almost all countries import arms. However, developing countries receive the major volume of international arms transfers. Arms imports are carried out for a multitude of reasons and have numerous consequences. The combination of these reasons and consequences, and the weight given to each of them, may vary from region to region and from country to country, even from one transaction to another transaction by the same country.

1. Politico-military aspects

54. The primary motivation for arms imports is the recipient's perceived need for security, external as well as internal. States seek to further security and stability by maintaining or enhancing military capabilities either through arms imports or indigenous production. The more specific reasons for arms acquisitions include perceived military threats, within a given region, or which may arise from a preponderant regional military Power. By the acquisition of arms recipient States may seek to enhance their position in existing disputes over boarders, assets, and so forth, or to aspire to the role of a preponderant military Power. In the domestic context, States may also seek enhanced military capabilities against insurgencies and armed groups. Military arsenals may also be perceived as projecting national pride and unity or as enhancing the authority and power of the Government or of military establishments. While any of these factors may dominate a particular transaction, major arms purchases are sometimes motivated by several of these considerations, perceived either as short-term or long-term interests. It should also be noted that security considerations are almost universally referred to as the reason for maintaining some degree of secrecy concerning existent and prospective military capabilities. Recipient States frequently require that supplies protect the confidentiality of negotiations and transactions regarding arms transfers.

55. Apart from the contribution to military capabilities the import of arms is seen by some countries as a gesture of friendship or political support, especially if all or almost all weapons are acquired from one supplier.

56. On the one hand, arms transfers may increase security and stability; they may increase the defence capabilities of the recipient country against threat,

discourage a potential aggressor, and restore regional stability if that is required. On the other hand, however, international arms transfers may start to exacerbate arms races quantitatively or qualitatively within a regional context, which in some cases may create an atmosphere conducive to armed confrontation. Not all arms transfers enhance the recipient's military capabilities, and enhanced military capabilities do not necessarily contribute to regional and international peace. The result of the arms transfer depends on the recipient's policies and on the reaction of other countries. Arms transfers may also intensify regional crises and conflicts, complicate the search for a peaceful solution to international or internal conflict, make armed conflicts more lethal and destructive, or prolong them.

57. Excessive dependence on a particular arms supplier may diminish or affect the policy options of recipient States. If a supplier makes arms transfers conditional, the recipient's bargaining position is strengthened if there are alternative suppliers. However, in the case of advanced weapons systems recipient countries are particularly vulnerable, since the number of suppliers is limited. If some suppliers are ruled out for political reasons and others coordinate their arms transfer policies, the number of alternatives may be very small. Economic constraints may further limit the number of alternatives. Once an agreement has been reached and the arms are delivered, it may be even more difficult to evade supplier influence and leverage except at the cost of a loss of military capability. In large-scale transfers of advanced and complex weapons, especially to developing countries, suppliers almost inevitably acquire some leverage on the supply of spare parts, ammunition and technical services in support of their objectives, which may not fully coincide with those of the recipient. Empirical research has not been able to provide substantial evidence that dependence linked to arms transfers has frequently and successfully been used to change the recipient's internal or foreign policies. This lack of evidence may, however, not reflect a total absence of dependence. In some cases, the recipient country may act in the expectation that it will have to accommodate certain political interests of the supplier without any pressure being brought to bear.

2. Socio-economic aspects

58. Once a decision has been taken on politico-military grounds to acquire additional arms, economic factors can argue in favour of importing arms, compared to the alternative of establishing or expanding an indigenous military industry, since the latter options are as a rule costlier and for many countries beyond their technological or scientific capability.

59. Arms imports always involve economic costs, which are reduced but not eliminated if arms are provided free of charge. Even arms provided free of charge carry economic costs because of the expenses associated with their necessary infrastructure, operation and maintenance.

60. One of the major consequences of arms imports is a negative impact on the balance of payment of the recipient. It entails loss of foreign exchange, the

scarcity of which is one of the most serious obstacles to growth and economic development, particularly in developing countries.

61. The acquisition of arms involves opportunity costs and, hence, significant choices regarding the allocation of resources. It absorbs resources that could otherwise be directed towards social and economic development, the alleviation of poverty through such basic social services as health care, education, housing and clean water, etc. The lack of these essential services may lead to political, economic and social instability. Developing countries are especially strongly affected by this consequence and, hence, face particularly difficult choices when making decisions on arms imports. On the one hand some States, by acquiring arms necessary for defence, may be able to create a more stable security environment needed for socio-economic development; on the other hand, the negative social and economic consequences of arms acquisition can increase instability.

62. Arms transfers can be linked in different ways to the transfer of technology. Licensed production, for instance, involves the transfer of knowledge about production processes. Technical information and know-how can also be transferred in other ways, e.g. when personnel from the recipient country acquire the knowledge necessary for the operation, logistics and technical support of the arms transferred. This may benefit civilian industry, but the concentration on high technical standards characteristic of military production and the acceptance of the high costs associated with these standards may introduce an orientation in the industry not conducive to the manufacture of commercial competitive products. For countries lacking a developed industrial infrastructure, therefore, the acquisition of arms production technology may not be a cost-effective way for meeting arms requirements or for their economic development.

63. Offset agreements - various obligations assumed by supplier companies or States, e.g., to accept (usually partial) payment in kind, to invest in the recipient country, to transfer technology to the recipient or to place subcontracts with the recipient country's industry - may reduce the negative economic consequences of arms imports by providing some compensatory economic benefits. Such agreements can thus mitigate the negative economic consequences of arms imports, but they do not by themselves provide a positive economic rationale for arms imports.

64. Where militarization of society occurs, arms acquisitions may be a contributing factor. They can reflect the strong position of the armed forces in society and enhance this position. In some cases they may be a means to maintain the support of the military leadership for the Government.

65. Large-scale imports of sophisticated arms by developing countries may require the extended presence of foreign personnel in the recipient country. They may be engaged in the construction of related military infrastructure (e.g., airfields, shelters, ports), and in training, management and technical support. The presence of large numbers of foreigners can lead to social problems, especially if their work largely involves supervision of work carried out by indigenous personnel.

IV. OVERVIEW OF THE INTERNATIONAL TRANSFER OF CONVENTIONAL ARMS

A. Current situation and general trends

66. As the title of this study suggests, the international transfer of conventional arms often takes place in an environment lacking in transparency. Obviously, this lack of transparency or in some cases secrecy makes it difficult to provide an accurate picture of arms transfers. However, the data that exists in the public domain, for example the Yearbook of the Stockholm International Peace Research Institute (SIPRI) and the annual publication World Military Expenditures and Arms Transfers of the United States Arms Control and Disarmament Agency (see appendix II), can be used for illustrative purposes as to the general trends in arms transfers.

67. The inclusion in this report of statistics and data does not necessarily convey endorsement of the source publications by all the experts.

68. For several reasons, international transfers of conventional arms in the 1980s entered a period of potential change. After two decades of an almost uninterrupted and sometimes steep increase, the global volume of arms transfers in monetary terms levelled off and decreased in the second half of the 1980s. (Statistics are lacking for the 1990s.) Whether this encouraging trend can be sustained is an open question. While many of the factors mentioned above can be expected to have a continued dampening influence on arms transfers, the effect of recent events and developments is difficult to assess.

69. According to data from the United States Arms Control and Disarmament Agency, arms transfers, measured in constant 1988 United States dollars, accounted for about $14 billion per year in the early 1960s, rising to roughly $20 billion in the late 1960s and early 1970s before jumping to over $35 billion in 1973. After a two year temporary decrease to $30 billion, a continous increase to slightly below $60 billion occurred in 1984. The following two years brought about a decrease to about $50 billion, followed by an increase in 1987 and a renewed decrease to about $50 billion in 1988. The major part of the total increase of roughly 400 per cent occurred from 1971 to 1981. If the quantitative development were to be expressed in numbers of tanks, artillery pieces, combat aircraft, etc. transferred, the increase would appear to be less substantial because part of the increase in monetary terms is accounted for by increases in unit costs. A weapons system transferred in the 1980s cost much more than a corresponding one in the 1960s, but it had also a much higher performance in terms of mobility or speed, payload, firepower, self-projection, etc. Thus the increase in monetary terms may be indicative of the trend in arms transfers both in respect of the military and the economic implications.

70. Until about 1980, industrialized countries accounted for all but a small fraction (less than 5 per cent) of all arms exports. Since then, the developing countries' share of all arms exports has increased to about 10 to 15 per cent. On the import side, developing countries accounted throughout

the 1980s for about 75 to 80 per cent of all arms transfers, compared to 60 to 70 per cent in the 1960s. Measured in constant 1988 United States dollars, the average annual level of arms imports by industrialized countries was $5 to 6 billion in the 1960s, $7 to 9 billion in the 1970s and $10 to 12 billion in the 1980s. Given that most arms transfers go to developing countries, their combined arms imports follow closely the development of global arms transfers.

71. In the late 1980s, about one third of total arms transfers went to the Middle East. Europe and East Asia/Oceania each accounted for about one fifth. South Asia, Africa and the Americas received about one tenth each. From 1963 to 1965, Europe had the highest volume of arms imports, with 40 to 50 per cent of global arms imports. From 1965 to 1973, this position was occupied by East Asia/Oceania with shares of 30 to 40 per cent, and from 1974 onwards the Middle East has continuously had the highest volume with 30 to 40 per cent.

72. The average level of sophistication of conventional arms transferred internationally has significantly increased over the past four decades. This does not merely reflect advances in arms technology, but also a decreasing technological gap between arms procured by producer countries and by non-producing countries. Arms transfers within major military alliances have consistently involved state-of-the-art weapons. But in the 1970s, concurrently with the quantitative upsurge in arms transfers, major arms producers have started supplying countries outside the major alliances with some of the most advanced weapons systems. The move towards transfers of more and more advanced weapons systems has been caused by several factors: stocks of obsolete weapons that had been drawn upon for earlier transfers were running out; some States wished to acquire the most advanced weapons systems and were able to persuade supplier countries to provide them; and with the ever-increasing costs of research, development and production, supplier countries felt industrial and economic pressures to increase production runs beyond the requirements of their own armed forces and those of close allies and were able to persuade recipient countries to purchase them.

73. International transfers of conventional arms involve a great diversity of contractual arrangements or financial modes of transfer. Basic types of such arrangements include grants (transfers free of charge to the recipient), preferential credit terms, payment in cash, and leasing. In practice, single transfers may constitute a very complex contractual arrangement, in particular if it is not simply weapons systems that are being transferred but also training packages, maintenance facilities, components etc. Since the 1970s, major supplier States have decreased their overall grants and increasingly focused them on a small number of recipient countries. Concomitantly, cash and credit sales have increased. Because of the competitive nature of the international arms market, most major supplier countries provide credit facilities for arms recipients, frequently at preferential conditions.

74. Supplier countries have also come to accept offsets, i.e. contractual arrangements that reduce the economic impact of arms purchases on the recipient country. Such offsets can take different forms, including

counter-trade, investment by the supplier of part of the revenue in the recipient country, the transfer of technology and participation by the recipient, as subcontractor, in the production of the arms. The increase of offsets in arms transfers has to some extent compensated for the economic consequences of the decrease in military assistance and reflects the competitive nature of international arms transfers.

75. Arms transfers are becoming more complex as military industries are moving towards greater international cooperation. Joint research, development or production, licensed production and foreign investment in defence industries are likely to increase. The line between producers of civilian and of military goods may also become less defined as the military market may be shrinking, and the military industries may increase diversification into civilian markets by their own decision - in order to reduce their vulnerability to changes and fluctuations in the defence market - or by government decision where they are owned by the State. Increased international cooperation or subcontracting may render it increasingly difficult to identify the national origin of arms or to assign specific market shares to individual producer countries. The national monitoring, licensing and control systems that exist may find it inccreasingly difficult to control the flow of arms and arms components from and to that country - and even more so the flow of technology and services.

B. Policies and practices of conducting arms transfers and associated legal issues

76. Many States find it necessary to have an administrative, procedural and legal framework for arms exports and imports. Some States provide detailed and comprehensive information about these aspects, which contributes to general openness regarding arms transfers. Other States provide less or no information, which does not necessarily indicate the absence of a policy.

77. Arms exports are an expression of the supplier State's foreign and national security policy. Therefore supplier States wish to exercise control over arms exports from their territory. Some of the factors involved may be:

(a) The need for States, for national security reasons, to prevent arms from being delivered to a potentially hostile country or to a country that poses a military threat to allied or friendly States or to countries that might either directly or indirectly risk compromising equipment with military implications;

(b) The obligation of States to ensure that arms exports from their territory do not violate international law or particular international agreements or decisions (e.g., arms embargoes, or the guidelines for sensitive missile-relevant transfers);

(c) The desire on the part of States that their import policy contribute to stability and peace and to the adherence to human rights, that is, to exert

general restraint in arms transfers or to prevent transfers to belligerent parties, zones of tension or States in which human rights are being violated.

Arms export policies may also provide guidelines as to the circumstances under which exports should be permitted or even promoted by State agencies in order to ensure the continued viability of the defence industries or to realize economic benefits (e.g., export earnings, foreign exchange, employment benefits, reduction of unit costs).

78. The policies, procedures and legal provisions of individual supplier States regarding arms transfers vary widely. The ownership structure of arms industries also affects the internal procedures. It is not possible, therefore, to give a single definitive description. Some aspects are identified here as of interest, but they do not necessarily apply to all countries. In a number of countries, the export of arms requires an export licence granted by the government of the exporting State. Some countries in addition require their arms industries to report on their marketing activities and to seek governmental approval before the submission of confidential technical data (which may be necessary to take an informed purchasing decision) and price quotations to a potential buyer, and again before the conclusion of an agreement. This is intended to prevent arms transfer negotiations from building up a dynamic of their own before the government has had a chance to intervene.

79. Governments decide whether or not to agree to an arms export within the framework of their general foreign and security policies. The following factors are involved:

(a) The arms control regulations of some supplier States focus on administrative and procedural matters by prescribing which government agencies have to be involved, in which way at which stage, and which agency's approval is necessary for any given action. Within this model of control, governmental agencies follow guidelines in order to ensure consistency in their decisions, but otherwise have considerable leeway in their decisions. The regulations of other States may focus on legal criteria, determining under what conditions export licences have to be refused by the Government. In this case, governmental agencies have less flexibility in their decisions. The two approaches may be combined.

(b) The political guidelines of ssome supplier States distinguish between different recipients. For instance, different standards are applied to States that are members of the same politico-military alliance as the supplier State to other friendly States and to potentially hostile States. The political and security situation in the region concerned and the domestic political situation of the potential recipient country (in particular the observation of human rights), as well as the type and number of the arms involved and their intended use, may also play an important role.

(c) Some supplier States also distinguish in their decision-making processes between different channels of transfer (on the one hand, commercial

sales without active government involvement, except for the processing of an export licence application, and, on the other hand, government-to-government sales) or between different types of items involved.

(d) The active involvement of, consultation with or information provided to parliamentary bodies vary greatly among the supplier States. For various reasons, including the fact that arms exports are regarded as part of the execution of foreign and national security policy, parliamentary bodies are often not systematically involved in arms export decisions. Some States provide for the involvement of parliamentary bodies in certain circumstances, e.g., arms exports beyond a certain volume.

(e) An increasing number of supplier countries usually demand an end-user certificate as a precondition for granting an export licence (if the Government is not actively involved in the transfer) or effecting a government-to-government transfer. Recipient Governments commit themselves not to re-transfer the arms without the supplier's permission. Additional conditions may be laid down, for example the assurance that the arms will be used only for defensive purposes. If advanced weapons are being supplied, additional agreements are sometimes required to safeguard sensitive technology involved in order to ensure its non-transference to third parties. As an additional means of control, the supplier Government on occasion requires, within a certain time after the date of export, documents issued by the customs authorities of the government of the recipient State, confirming that the material in question has been imported into that country.

(f) Supplier countries vary widely in their statistical information about their arms exports. Some States periodically publish data, typically on a yearly basis, listing the amount of arms transfers (in monetary terms) for every recipient in the specified period. Other countries publish aggregated data, for example showing the regional distribution of arms exports. Still other Governments do not provide any data, at least not on a regular basis.

80. The security, military, political and socio-economic consequences of arms transfers generally loom larger for recipients than for suppliers and particularly, of course, for recipients heavily dependent on imported arms. The various considerations that a recipient country brings to bear on decisions on the importation of arms and the often competing political, military and economic interests that have to be weighed in the balance have been described in some detail in section III. There are, however, some additional observations relevant to the present discussion on arms import policies:

(a) The foremost responsibility of government is to provide for the nation's security and defence. It follows that Governments have a fundamental interest in putting in place a body of laws and the means of enforcing these laws to ensure their effective control over the means of military defence. Such effective control is also a prerequisite for the implementation of agreements that set quantitative and/or qualitative limits on armed forces. The absence of such control might make it easier for groupings in one State to

attack another State. It might also facilitate the illicit export of arms to groupings in other States. These considerations apply in principle to all States. In supplier States they may lead to State control over production, possession and export of arms; in recipient States they may lead to State control over the import and possession of arms. Since a considerable number of States are both suppliers and recipients - especially in view of the possibility of re-transfers - State controls may cover all these aspects.

(b) Among the many considerations that shape decisions on arms imports, a particularly important one is the likely effect on regional security perceptions and thus on the decisions of other States in the region on arms acquisition. A Government may scale down, delay or cancel a proposed acquisition if it judges that the impact on confidence and stability within the region would eventually result in dimished security.

(c) The recipient Government's selection of a particular weapons system - and thus indirectly also of a supplier - can be influenced by several additional factors, such as the perceived military requirements, its relationship and previous experiences with potential suppliers, and the financial costs associated with alternatives. Complex and advanced weapons systems are produced by only a relatively small number of suppliers. For the determination of financial costs, the life-cycle costs may be more important than the pure acquisition cost. Comparisons may be complicated if different combinations of offsets are offered by various potential suppliers.

(d) States vary in the amount of information they provide to the public about their arms imports. In those States where arms imports, as part of the military budget, are subject to parliamentary discussion and decision, basic parameters of arms imports (e.g., type, number, cost) are disclosed if the debate takes place in open session.

V. RELATIONSHIP BETWEEN ARMS TRANSFERS, SECURITY, ARMS LIMITATION AND DISARMAMENT

A. Changing approaches to security, arms limitation and disarmament

81. Since the mid-1980s, the general trend in international relations has become more favourable for increased international security at a lower level of armaments. This trend was also associated with a growing understanding that security and stability are not confined to military aspects. The major military Powers and main politico-military alliances have moved towards a dialogue and the cooperative building of security. The changing approaches have also facilitated the achievement of major arms limitation and disarmament agreements in Europe and between the Union of Soviet Socialist Republics and the United States of America, involving significant reductions in nuclear as well as conventional arms and the acceptance of intrusive forms of verification (e.g., regular on-site inspections and challenge inspections) as well as confidence- and security-building measures.

82. Several major conflicts have been resolved, and others have been brought nearer to a political solution. The prospects for the peaceful resolution of regional conflict have been enhanced by increased cooperation between the major military Powers. There is also an emerging willingness of States to act collectively against aggression. These changed approaches have provided the United Nations with an enhanced basis for the effective discharge of its functions in maintaining international peace and security.

83. Considerable stocks of nuclear and conventional weapons remain in place, and a number of situations of tension and conflict continue in the world. But recent favourable developments have contributed to a quantitative reduction in global arms transfers in the late 1980s. Recent events in the Persian Gulf region may affect this trend, but that is impossible to quantify. In addition, there exists apprehension by some that because of economic factors there may be an increase in efforts to sell arms.

B. Arms transfers and international security

84. Arms transfers relate to international security in contradictory ways. Arms transfers can enhance national security and regional stability if all consequences are judiciously considered and if quantitatively and qualitatively they do not exceed reasonable security requirements.

85. However, arms transfers are an important channel through which military competition, particularly technological competition, has become a global phenomenon. Arms transfers can expand security problems to a regional level. Efforts by a State to satisfy what it regards as its security requirements may be perceived by other States, especially those in the same region, in a way that would cause them to increase the level of their own armaments. Arms transfers can also prolong armed conflict and increase its destructive consequences. Not the least, arms transfers can increase economic insecurity because resources used for arms imports are not available for socio-economic purposes.

C. Arms transfers, arms limitation and disarmament

86. Given the interrelationship between transfers of conventional arms, arms limitation and disarmament, agreements on arms limitation and disarmament, as well as confidence- and security-building measures, have an impact on arms transfers even when they do not directly address this issue.

1. Arms transfers, conventional arms limitation and disarmament

87. While disarmament is the responsibility of all States, the nuclear-weapon States have the primary responsibility for nuclear disarmament and, together with other militarily significant States, for halting and reversing the arms race. In the exercise of their responsibility, over the past four years the

Union of Soviet Socialist Republics and the United States, as well as the other member States of the North Atlantic Treaty Organization and the Warsaw Treaty Organization have made significant headway in arms limitation and disarmament, including the conclusion of the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles 5/ and of the Treaty on Conventional Armed Forces in Europe.

88. The Treaty on Conventional Armed Forces in Europe, which has not yet been ratified, provides for large quantitative reductions of battle tanks, artillery pieces, armoured combat vehicles, combat aircraft and attack helicopters in Europe over the coming five years. As laid down in the preamble, the objectives of this Treaty are:

(a) To establish a secure and stable balance of conventional armed forces in Europe at lower levels than heretofore;

(b) To eliminate disparities prejudicial to stability and security;

(c) To eliminate, as a matter of high priority, the capability for launching surprise attack and for initiating large-scale offensive action in Europe.

89. There exist several direct or indirect links between the Treaty on Conventional Armed Forces in Europe and arms transfers by the parties to this agreement:

(a) The Treaty may, in conjunction with political developments in Europe (the search for cooperative security structures and the reduction of the military element in the two alliances) contribute to the further relaxation of international tensions and to the building of confidence;

(b) Smaller inventories in Europe will result in smaller orders when the deployed systems are being replaced;

(c) The reductions necessary to arrive at the agreed ceilings have already been determined and will be achieved by destruction of armaments or their conversion for non-military purposes;

(d) A major concern is that a reduced demand for arms in Europe might cause some States parties to the CFE Treaty with major arms industries to intensify efforts to seek arms exports to other regions.

2. Arms transfers, nuclear arms limitation and disarmament

90. Agreements concerning nuclear weapons can provide a general impulse for progress in conventional arms limitation and disarmament on a multilateral or global scale. In this context, several agreements and ongoing or envisaged negotiations are relevant:

(a) The Treaty between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles, 5/ which entered into force on 1 June 1988;

(b) The negotiations between the Union of Soviet Socialist Republics and the United States of America on the reduction and limitation of their offensive strategic nuclear arms, which are expected soon to result in agreement and, though only a first step, will be a significant one;

(c) Negotiations between the United States of America and the Union of Soviet Socialist Republics on short-range nuclear forces in Europe, which are expected to open soon after the CFE Treaty enters into force.

91. Conversely, it is difficult to establish the net effect of arms transfers on pressures for nuclear proliferation, which may vary from case to case. On the one hand, it is agreed that transfers of conventional arms can decrease the likelihood of nuclear proliferation by alleviating the security concerns of some recipients. On the other hand, transfers of conventional arms, in particular artillery systems, combat aircraft and ballistic missiles, can provide delivery systems for nuclear weapons. Moreover, large-scale acquisition of conventional arms by one State can create or enhance incentives for other States to acquire nuclear weapons.

3. Arms transfers, chemical and biological disarmament

92. A convention banning the development, production, stockpiling, use and transfer of chemical weapons is being elaborated by the Conference on Disarmament. The Union of Soviet Socialist Republics and the United States signed an agreement in June 1990, which, once in force, will require each of the two parties to reduce its stockpiles of chemical weapons to 5,000 tons by the end of the year 2002. The development, production, stockpiling, acquisition and transfer of biological agents or toxins and of weapons, equipment or means of delivery designed to use such agents or toxins for hostile purpose in armed conflict are prohibited by the 1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

93. Some of the considerations presented herein of the effect of international transfers of conventional weapons on nuclear proliferation also apply to chemical weapons. Conventional arms provide the means for delivering chemical weapons, but the technical requirements are so low that limitations on conventional arms transfers would not foreclose the ability of a State to employ chemical weapons.

4. Arms transfers and confidence- and security-building measures

94. Confidence-building measures can cover non-military as well as military aspects. This process is most advanced in Europe, where confidence- and security-building measures have become an important means to increase security. A milestone was the adoption of the Stockholm Document at the end of the Conference on Confidence- and Security-building Measures and Disarmament in Europe in the CSCE framework in September 1986. Negotiations on further confidence- and security-building measures are in progress. There are also a number of other agreements, such as several bilateral agreements between the Union of Soviet Socialist Republics on the one hand, and France, the United Kingdom, and the United States of America on the other hand which contribute to confidence-building between these countries.

95. Confidence-building measures, including transparency in arms transfers, and confidence- and security-building measures may generally speaking be more easily achieved than arms limitation agreements, and even though they do by themselves not have an impact on military capabilities, they can have an important psychological and political impact.

VI. MEASURES TO PROMOTE TRANSPARENCY

96. As stated in paragraph 14 the concept of transparency is related to that of openness. Openness is signified by a general national policy of making public information on military matters. It is a function of a State's governmental policy and practice. Transparency has also come to be understood as involving systematic provision of information on specific aspects of activities in the military field under formal or informal international arrangements. It reflects a willingness on the part of all States participating in such arrangements to practice openness at least in the areas of information covered by them. Depending on the specifics of such arrangements, relevant information can be made available between States or provided to a central repository. Transparency can be tailored to specific interests, practised to varying degrees and is adaptable to progressive evolution.

97. The promotion of transparency in arms transfers is one element in the wider context of confidence-building measures, arms limitation and disarmament. This concept puts the importance of transparency in perspective and identifies potential synergistic effects of transparency measures in different fields. For instance, measures to promote transparency in arms transfers and similar measures in other military fields, such as defence holdings, procurement and military expenditures, and the exchange of information on military structures and doctrines, could reinforce each other.

98. There exists a strongly held view that transparency in conventional arms transfers should be developed, although all the effects of such transparency in arms transfers have to be carefully evaluated and weighed. Transparency

measures concerning arms transfers are not in themselves measures of limitation or restriction, but they can in several ways promote and facilitate the introduction of unilateral or multilateral measures of restraint.

A. Purposes and objectives of promoting transparency

99. The promotion of transparency in the international transfer of conventional arms is not a goal in itself, but a means serving one or several further ends. The most important intended effects of transparency are the building of confidence and security, the reduction of suspicions, mistrust and fear, restraint on a unilateral and multilateral basis, and the timely identification of trends in arms transfers.

100. Transparency in arms transfers is an important confidence-building measure and could be considered in several ways:

(a) As compared to situations in which States have to rely exclusively on their own means to acquire information about the military affairs of others, readiness of States to offer such information freely to others generates a climate of greater confidence and trust;

(b) Transparency could prevent exaggerated estimates by States that perceive a potential military threat from another country. By removing, or at least reducing, uncertainty about other States' arms transfers, arms races fuelled by misperceptions could be dampened and regional and international tensions reduced. (States, however, would be unlikely to refrain from arms transfers if the information derived from transparency measures were to indicate only that a potentially hostile country was in the process of acquiring a significantly higher military capability.);

(c) By making their arms transfers transparent, States could demonstrate openness. The defensive character of military structures and activities could also be emphasized. This could alleviate the security concerns of other States not directly related to arms transfers and could serve as a signal that there is a readiness for dialogue on security concerns;

(d) Transparency in arms transfers could serve as a catalyst for other confidence-building measures. In some regions, transparency in arms transfers could be among the first confidence-building measures. If the involved States considered their experiences with this measure positive they might adopt further confidence-building measures related to other security issues.

The building of confidence by enhanced transparency in arms transfers would be most useful, although perhaps difficult, among those countries and in those regions where mistrust has accumulated and which are likely to have an elevated level of arms imports.

101. Transparency in arms transfers could lead to restraint on the part of suppliers and recipients. It could create a heightened awareness of the

politico-military and socio-economic consequences of such transfers and could promote informed participation by the public in the discussion of arms transfer policies and practices. This might motivate the authorities to give even more careful consideration to all aspects of contemplated arms transfers before they are carrried out.

102. Transparency could make it easier for States to evaluate their security situation, a far as it is related to arms procurement by other countries, and hence to assess better their need to procure arms. The possibility has to be acknowledged that in some cases information on other States' arms transfers could lead States to seek the acquisition of more arms than they would have procured in the absence of such information. However, even in these cases, transparency could serve a constructive purpose if it were the catalyst for actions to prevent or redress instabilities and imbalances prejudicial to international stability and security. In this sense, timely information on arms transfers provided by transparency measures could supplement other arrangements intended to give early warning of developments potentially dangerous to national security.

103. At the regional and subregional levels, States could view transparency measures as a step towards greater control over the development of the security situation in their region. The confidence- and security-building effects of transparency measures could facilitate regional cooperation and reduce the potential of unilateral arms acquisition to generate misperceptions, unsettle regional stability and prompt costly rounds of arms competition. In this regard, informal politico-military dialogue among States at the regional and subregional levels would be a particularly valuable qualitative supplement to other transparency measures.

104. As with most other military issues, arms transfers include a global dimension. Transparency could help meet the legitimate interests of the international community in relevant and factual information about a type of transaction that directly concerns the vital issues of peace, security and human values, accounts for vast expenditures and diverts resources from socio-economic purposes.

Requirements and limitations

105. Depending on the objectives, different approaches or combinations of approaches to promote transparency in arms transfers may be appropriate. If the provision of information is to broaden public awareness of international arms transfers and their consequences, relatively simple approaches may suffice. If, however, transparency is to build confidence and reduce mistrust, the requirements are more exacting. More detailed and elaborate measures could be implemented after experience had been gained with simpler measures.

106. For maximum adaptation to political circumstances and expandability, measures to promote transparency in arms transfers could be designed as building blocs. On the basis laid by initial measures, additional elements

could be added, leading to a multilateral process that could be expanded in scope, number of participants and formality. Unilateral, bilateral and multilateral (both regional and global) approaches could build upon each other and be combined. The implementation of specific measures for transparency in arms transfers would in itself not constitute a commitment regarding additional measures in the same domain. However, in addition to the potential of transparency measures for encouraging unilateral restraint, they could also be a step towards bilateral and multilateral measures of restraint.

107. In view of widely varying politico-military conditions in different regions, measures to promote transparency in arms transfers may not be adopted immediately by all States. But universality should not be limited to the prospect and hope for universal participation. One way by which measures to promote transparency in arms transfers could support the principle of universality would be the formulation of general standards that would ensure some degree of homogeneity and facilitate the integration of partial (unilateral, multilateral, regional) measures at a later stage. The principle of universality should in no way rule out regional approaches. General standards could be adapted to the specific conditions of particular regions or subregions. In this way they would not hold back further progress where it could be made.

108. Measures designed to enhance transparency in international arms transfers based on information received from States presume on the part of state authorities comprehensive knowledge of and the capacity to control the export and import of arms. The adoption of minimum standards of national control would support the non-discriminatory character of measures of transparency. These minimum standards could be of a formal and procedural nature limited to essential aspects and leaving every State, within the bounds of its legal obligations, free to determine the internal and external aspects of its arms transfer policy. The standards would ensure that the government had accurate information about arms transfers.

109. Measures to promote transparency in arms transfers would provide for the disclosure of information of those aspects of arms transfers which would help to build confidence and to prevent misperceptions. Information of major strategic or tactical value, such as performance characteristics of the arms in question, or their precise location might be beyond the reasonable claims of transparency, since transparency measures should in no way increase the vulnerability of States against military operations in general and surprise attack in particular.

110. Transparency could be extended to include information on some economic aspects of arms transfers so as to allow a more accurate evaluation of the socio-economic aspects of arms transfers.

B. Possible measures of implementing transparency

1. Dimensions of measures to promote transparency in arms transfers

111. In the context of measures to promote transparency in the international transfer of conventional arms, a number of questions are bound to arise. These questions will be addressed in general terms before specific possible measures for promoting transparency are laid out.

112. A first important question concerns the participants in any measure to promote transparency. Three related but distinct issues have to be considered:

(a) Type and role of participants: Assembly resolution 43/75 I is clearly marked by the conviction that the arms transfer information already available should be complemented by transparency measures. In particular, transparency would gain if the information were authoritative and systematic. One can distinguish between transparency measures initiated by suppliers, by recipients, or in cooperation between suppliers and recipients. Suppliers might find it easier than recipients to provide transparency because their national security interests are often less directly involved in arms exports than in arms imports. However, most suppliers would probably supply detailed information only with the consent of their recipients. For several reasons (e.g. political acceptability, universality, non-discrimination), measures taken in cooperation between suppliers and recipients would appear to be more meaningful. The United Nations could compile, organize and publish information supplied by States.

(b) Number of participants: Measures to promote transparency in arms transfers can be taken bilaterally, multilaterally or globally. Measures involving a large number of States (whether taken independently or through multilateral efforts) have a greater potential to promote transparency on a universal and non-discriminatory basis, but bilateral measures or measures agreed among a smaller group of States can also contribute to transparency, and they can facilitate the evolutionary development of more comprehensive measures of transparency.

(c) Geographic scope: Closely linked to the number of participants is the geographic scope of measures to promote transparency. They can involve two or more countries or regions or be of global scope. The objectives of universality and non-discrimination would call for agreed transparency measures covering as large a geographic area as possible, but they would not rule out measures tailored to specific regions.

113. A central question concerns the substance of the information to be made available by any measure intended to promote transparency. Such measures are commonly identified with the increased availability of data on transfers, but they are not limited to statistical data. Talks on mutual security concerns as well as the availability of authoritative and comprehensive information on national legislation and administrative procedures, arms transfer policies and

procurement policies of States could also contribute to transparency. As transparency involves the availability of statistical information on arms transfers, three main issues have to be addressed: the definition of arms transfers, the level of aggregation, and the characteristics (or variables) that should be reported.

114. Transparency measures require an agreed definition of arms transfers if the comparability of the information is to be ensured. Maximum transparency would require a broad definition of arms transfers, covering transfers not only of complete weapons systems but also of components, knowledge, and services. However, a narrower definition could facilitate the introduction of transparency measures, and it could be broadened at a later stage.

115. Information can relate to individual transfers or be aggregated. Aggregation can refer to time (e.g., annual aggregates) or geography (e.g., global or regional aggregates). Information on individual transfers would provide most transparency, and it would not preclude aggregation to identify general trends that might otherwise not show up.

116. There are many types of information of arms transfers that could be included in measures to promote transparency. The most important criteria for the choice of types of information are political acceptability and relevance for the achievement of transparency. Some of the possible characteristics are the following:

(a) Supplier and recipient;

(b) Final user;

(c) Date of agreement and/or date of delivery;

(d) Type of arms, components, knowledge or services transferred;

(e) Basic performance characteristics of the arms or components transferred;

(f) Quantity of arms or components transferred;

(g) Financial terms;

(h) Technical support and training arrangements.

117. The availability of all these types of information for every arms transfer would result in maximum transparency, but it might not be widely acceptable for security and commercial reasons. Transparency could, at least initially, be limited to some basic types of information, e.g., supplier and recipient, date of delivery, type of arms and quantity.

118. Transparency measures can to various degrees constitute a formal commitment. One can distinguish between voluntary measures under which States

would adopt agreed transparency arrangements but maintain full freedom to withdraw from them at any time, those constituting a politically binding commitment, and legally binding arrangements.

119. Transparency measures involve by necessity several questions related to time:

(a) At what stage of an international transfer of conventional arms should information be made available? Several possible points can be considered: the conclusion of an agreement; the beginning or the completion of delivery; and the achievement or operational capability. As an alternative to the notification of every transfer, notification could also take place monthly or annually. The anticipation of publicity might change the dynamics of arms transfers even if they were officially publicized with a delay.

(b) If a third party were involved (e.g., an institution to which the information were given and which would in turn provide information to other States and the public), one could differentiate between the points in time at which the third party would receive and disseminate the information. Information provided by a participant could immediately be made available to all other participants, e.g., through a computerized database to which all participants had permanent access. Information specifically compiled for the public might be put out at intervals since it might entail processing the raw information.

(c) The promotion of transparency in the international transfer of conventional arms would have the greatest impact as a continued, long-term activity, capable of being adapted to changing circumstances, but not from the outset limited to a certain period of time. Reflecting different levels of tension and preoccupations of regions, general and open-ended transparency measures could however be supplemented by additional measures limited in space and time.

120. Possible measures to promote transparency in international transfers of conventional arms can also be distinguished by their procedures for dealing with diverging information on the same transfer. Obviously, this is primarily an issue in potential measures, or a system of measures, being implemented on a multilateral basis. In the longer term, procedures for resolving discrepancies in information, e.g. a consultative commission or even the verification of received information, could be envisaged.

2. Possible measures

121. Openness is closely related to transparency. States can contribute to openness in several ways. They can publish factual and comprehensive information on their national laws and administrative procedures governing arms transfers and can make such information available to the United Nations. While it is the sovereign decision of every State to determine the procedures governing its arms exports and imports, the involvement of parliamentary

bodies in decisions on arms transfers (both planned procurement from abroad and exports) can contribute to openness. Authoritative and comprehensive statements on States' arms transfer and procurement policies could further enhance openness.

(a) Bilateral measures

122. Dialogue between States, dealing with a broader agenda of security issues, can contribute to transparency regarding arms transfers by the two parties. The participants can promote mutual confidence and reduce the risk of misperceptions by informing each other about planned and executed arms acquisitions, by presenting the rationale for them and by discussing mutual concerns linked to arms transfers. Moreover, through the exchange of experiences and the pooling of information such a dialogue could also help to improve national systems of monitoring or control over arms transfers and to prevent illegal arms transfers.

(b) Multilateral measures

123. The United Nations or regional organizations could launch projects to collect and publish or in other ways facilitate the exchange of factual and comprehensive information on national legislation, administrative procedures and policies on arms transfers, based on information supplied by States. This could contribute to the adoption by States of common standards of governmental supervision over arms transfers.

124. Among the oldest and most widely circulated proposals for promoting transparency is the idea of establishing an international reporting system such as an arms transfer register. This is basically the approach adopted for the Yearbooks published by the League of Nations from 1925 to 1938. The fundamental idea is simple, even though many variants are possible: States participating in the international reporting system would notify an organization established for or charged with the collection, management and publication of information about their transfers of conventional arms. This information would then be made available to the participating States or to the public, either on a continuous basis or at regular intervals, for example by the annual publication of a book containing the information, either in its raw or in a processed form. For reasons of political acceptability, non-discrimination and comparability of the information it might be necessary for the participants in an international reporting system on arms transfers to agree on a number of parameters, e.g., what arms should be reported, at which stage an arms transfer should be reported, and what kind of information should be given. The number of arms transfers to be reported would be large except for reporting systems limited to a small number of countries, such as in a regional or a subregional framework. The number of transfers reported would also depend on the definition of arms transfers. If a reporting system were to require the notification of every individual arms transfer and were based on a broad definition, covering international transfers not only of complete arms, but also of components, technology, and services, the number of reportable transactions could be very large.

125. An international reporting system for arms transfers would in some ways resemble the United Nations system of standardized reporting of military expenditures. About 40 States have thus far joined in this project and supply standardized information on their military expenditures. If the reporting of arms transfers were confined to basic types of information, and provided that an easily applicable definition could be agreed, a reporting system for arms transfers might present fewer technical problems than the reporting of military expenditures, even though it could involve a greater continuous workload. One important difference is that military expenditures involve directly only one State, whereas at least two States are involved in each arms transfer. International reporting systems for military expenditures and arms transfers could complement each other and together provide more transparency than each could separately.

126. A reporting system for arms transfers could initially be established along the lines of the standardized reporting of military expenditures of the United Nations, that is, on a voluntary basis. States could decide whether to submit information concerning their arms transfers to a central repository. This approach would require neither an agreement nor a formal commitment. It would allow identification and correction of problems that might become evident only when a reporting system were effectively established.

127. To be most effective, the international reporting system would need to be established on a universal and non-discriminatory basis, but its commencement would not necessarily be dependent on participation by all countries. In addition to the universal system, complementary regional or subregional systems might be established and such systems might be tailored specifically to the particular needs of the region or subregion, for example by incorporating additional information. The universal system could set minimum standards and guidelines to ensure homogeneity of data, and its existence and development could also ensure universality and non-discrimination. However, even in the absence of a universal system, several or all States of a region could establish a reporting system confined to the arms exports and imports of the participating States.

128. Especially where States differ in the extent of their reliance on imported arms, the positive impact of any reporting system would be enhanced if it were complemented progressively by measures to promote transparency in other military fields, such as military holdings and procurement, and military doctrines.

VII. ROLE OF TRANSPARENCY IN FACILITATING LIMITATION AND RESTRICTION AND OTHER MEASURES OF RESTRAINT IN ARMS TRANSFERS

129. The elaboration and evaluation of measures to limit and restrict transfers of conventional arms is beyond the scope of this study. It would be useful, however, to point out briefly some ways by which enhanced transparency could facilitate measures of limitation and restriction.

130. Measures to promote transparency in arms transfers could contribute to the adoption of policies of unilateral restraint by supplier and recipient States. A widely held assumption, in this connection, is that States might be dissuaded from carrying out some arms transfers by the anticipation of unfavourable public reaction. But this is not the only link between transparency and unilateral restraint:

(a) Increased international awareness of problems related to arms transfers, as a consequence of enhanced transparency, could stimulate renewed thinking within and outside Governments about arms transfers, in the context of which the possibility of unilateral restraint might be given fresh consideration;

(b) Increased mutual confidence, resulting from more information on other States' arms transfers and better understanding of mutual security concerns (e.g., through security dialogues) would reduce the risk of misperceptions and hence make it possible for States to seek security at a lower level of armaments;

(c) Transparency in international transfers of conventional arms could complement national efforts by giving some assurance that a policy of restraint is not exploited by other countries.

131. In paragraphs 22 and 85 of the Final Document of the Tenth Special Session of the General Assembly (resolution S/10-2), the international community expressed itself in favour of negotiations on the limitation of international transfers of conventional arms and of consultations among major arms supplier and recipient countries for that purpose.

132. Transparency might provide a better basis for identifying problems related to international arms transfers and for judging the feasibility of potential limitation and restriction measures in this respect. Through transparency, more factual and timely information on arms transfers could be made available to the international community.

133. The confidence-building effect of transparency could lead States to reassess the desirability and feasibility of arms transfer limitation and restriction in a more positive sense. There are several examples where transparency and openness within or outside the framework of confidence-building measures has paved the way for substantial progress in arms limitation and disarmament:

(a) The 1986 Stockholm Document on confidence- and security-building measures provides for measures of transparency in some military activities among the States participating in the CSCE. This process has facilitated the achievement of the Treaty on Conventional Armed Forces in Europe;

(b) Greater transparency between the United States of America and the Union of Soviet Socialist Republics has facilitated progress in bilateral talks on nuclear testing and on the reduction of strategic offensive arms;

(c) While negotiations in the Conference on Disarmament on a convention banning the development, production, stockpiling, transfer and use of chemical weapons have not yet been completed, the openness of the United States of America and the Union of Soviet Socialist Republics in allowing visits to chemical weapons facilities and the openness of a number of States in conducting national trial inspections of chemical plants and reporting the results to the Confere ce on Disarmament have helped the negotiation process.

These examples indicate that openness and transparency can contribute to effective bilateral and multilateral arms limitation and disarmament efforts, even when they have not been designed specifically for this purpose.

134. Multilateral measures and mechanisms to promote transparency could provide the basis for monitoring and verification of possible future limitation and restriction agreements concerning arms transfers.

VIII. ILLICIT ARMS TRADE

135. A particularly disturbing dimension of the international trade in arms is the so-called illicit arms trade (sometimes referred to as black market). Since it is clandestine, the scale of the illicit trade in arms can only be guessed at. It is widely believed that, relative to overt arms transfers, the value of the illicit arms trade is comparatively modest. It involves mostly, but not exclusively, smaller weapons with low unit costs. At the same time, however, the consequences of the illicit arms trade can often be disproportionately large, particularly for the internal security and socio-economic development of affected States, but sometimes also for regional or even international security. Even small arms where transferred, directly or indirectly, to terrorist groups, drug traffickers or underground organizations can pose a danger to regional or international security and certainly to the security and political stability of the countries affected, can threaten to subvert the effective control over their territory by legitimate Governments. The illicit arms trade can also undermine attempts to negotiate political solutions to internal or international conflict.

136. Owing to the secrecy, the clandestine nature and the multitude of forms the illicit arms trade can assume, its description poses great difficulties. For the purposes of this study, the illicit arms trade is understood to cover that international trade in conventional arms which is contrary to the laws of States and/or international law. The national laws are too diverse to be discussed in this study. Under international law, arms trade can be circumscribed, inter alia, by the prohibition of interference in the internal affairs of a State, by international treaties, or by binding decisions adopted by the Security Council under Chapter VII of the Charter of the United Nations.

137. Conceptually, the illicit arms trade is a distinct phenomenon and merits separate study. In practice, the borderline between licit and illicit transfers may not always be apparent, inter alia, for the following reasons:

(a) The "grey" market is an area where there are different gradations of apparent legality, suspicions and doubts, calling for investigation, but not in themselves giving sufficient justification for classifying such transactions as illegal before the relevant facts have been established. The grey market involves, for example, the international sale of equipment with both civilian and military applications to recipients whom the supplier could under national law or international law not supply with arms (e.g., States subject to an arms embargo);

(b) Arms may be transferred through a series of transactions, some transactions being entirely licit, some belonging to the "grey" market or constituting illicit trade. In this report, transactions involving one or more third parties are considered to constitute technically separate transfers, the first from the original supplier to the intermediary, the second from the intermediary to a further intermediary or to the final recipient;

(c) The legal norms relating to international arms trade may be vague or may not address all problems involved. It may thus be difficult to determine objectively the legal nature of a particular transaction.

138. Several modes of arms transfers are often, but, unless it is established that they violate national or international law, incorrectly associated with the illicit arms trade:

(a) Arms transfers that do not conform to the publicly stated policies of the supplier or recipient State but do not violate any national or international law of the involved countries. For instance, a State may have adopted a policy of not exporting any arms to countries engaged in armed conflict or to zones of tension. As long as such a policy is not enshrined in national law, arms transfers that are at variance with it may raise questions regarding the credibility of the official policy, but they are not illegal.

(b) Clandestine, secret or covert arms transfers, which are not necessarily illegal, even though they may sometimes cause suspicions and mistrust and thereby be detrimental to stability and have grave human consequences. Many States do not wish to give full publicity to their arms imports or exports, even though they take place in conformity with all the relevant laws and obligations. Thus the mere fact that an arms transfer is conducted in partial or even full secrecy is not a sufficient reason for classifying it as illicit.

139. Private individuals, groups or companies play a greater role in the illicit arms trade as suppliers, recipients, and middlemen than in legal arms transfers. In many cases, the illicit activity is conducted by individuals acting on their own. States may use private arms merchants as middlemen in cases where the overt provision of arms was either not possible without openly breaking national law or international obligations or it would have posed other political difficulties.

140. States and the international community may have a compelling interest in limiting the involvement of non-governmental actors in international arms transfers in order to make arms transfers more transparent and directly responsive to governmental control, but the fact that private parties are involved is not, in itself, sufficient reason to assume that a particular arms transfer and the activities of these non-State actors are illegal.

141. In spite of the secrecy that surrounds the illicit arms trade, it is possible to identify some channels or modes of operation, the suppression of which would be facilitated by increased international cooperation:

(a) Arms may be exported or imported without the Government's knowledge across borders not effectively controlled by the customs authorities or with active disregard by bribed officials. In these cases, there is no falsification of documents to conceal the nature of the commodities or their destination and the authorities have no knowledge that any export or import has actually occurred. The suppression of this mode of illicit arms trade would require permanent and effective control by the State authorities over all possible exit and entry points (i.e. borders, ports, airports);

(b) Arms, including all types of equipment with military applications, may be exported or imported through apparently regular channels, i.e. be submitted to customs authorities, but with a false description with or without the connivance of customs officials. This is of course more likely if the transfer involves military equipment whose nature and purpose is not evident to officials without specific training. This mode of operation could be rendered more difficult by specific training of customs officials, enabling them better to identify arms and equipment with military applications;

(c) Government-to-Government agreements covering arms transfers can help to reduce the possibility of the diversion of arms to unauthorized destinations. A requirement by the exporter for import licences or end-use/end-user certificates or equivalent certificates may also be very useful to prevent diversion.

Transfers of services or technology are for evident reasons even more difficult to control than those of fully assembled arms, components or spare parts.

142. For obvious reasons the promotion of transparency in illicit arms transfers is a contradiction in terms. In contrast to licit or normal arms transfers, the objective in this case must be eradication through tighter controls.

143. There are three stages in the illicit arms trade that should be the focus of controls: the acquisition of arms by unauthorized persons; their export; and their delivery.

144. Those measures of national and international control over arms which are a requirement for transparency in licit arms transfers are also of central

importance to the objective of eradicating the illicit arms trade. Specifically, to prevent arms falling into the hands of parties engaged in the illicit trade, Governments should ensure that they have in place an adequate body of national laws and/or regulations and procedures to provide effective control of the export and import of arms. This is especially so in the case of arms transfers by non-governmental actors, particularly when done in secrecy. Special care should be taken to ensure control of such transfers. It is fundamentally a question of maintaining effective, comprehensive and continuous control over military weapons to prevent their falling into the hands of unauthorized persons or, as necessary, their export and delivery.

145. It is clearly important to have adequate numbers of appropriately trained customs officials. Similarly, international cooperation between law enforcement and customs services and the sharing of information, technologies and expertise about illicit arms trafficking have proven most productive and could be further developed and extended. The United Nations could assist in these fields through arranging appropriate conferences and seminars.

IX. CONCLUSIONS AND RECOMMENDATIONS

146. Arms transfers are a deeply entrenched phenomenon of contemporary international relations. This situation flows from the sovereign right of States to acquire arms for their defence, including arms from outside sources. Arms transfers therefore cannot be considered as neccessarily destabilizing. However, the international transfer of conventional arms has in recent decades acquired a dimension and qualitative characteristics that give rise to serious and urgent concerns.

147. The United Nations has a special responsibility in this context in accordance with its overall purposes and principles, and in resolution 43/75 I the General Assembly expressed its conviction that arms transfers in all their aspects deserved serious consideration by the international community. Moreover, recent international developments have highlighted the interdependence of interests and the benefits of cooperative approaches among peoples and nations.

148. Arms transfers have significant implications for national and international stability and security as well as for socio-economic development. The international transfer of conventional arms is a unique part of international trade and relations; in the final analysis it involves tools designed to kill and destroy. It should not be therefore primarily driven by economic or commercial considerations. Both supplier and recipient Governments have special responsibilities, particularly to avoid excessive or destabilizing arms build-ups. In this context, Governments should also exercise strict monitoring and control of arms transfers.

149. Recent events, particularly in the Persian Gulf, have shown dramatically the negative consequences of such build-ups. Internationally, they have further stimulated a widely expressed concern and have led to an increased

number of proposals for restraint in international arms transfers. Initiatives in this area, together with the major improvement in recent years in East-West relations and the solution of certain regional conflicts, make it a propitious time for progress towards a more judicious approach to arms transfers.

150. In some cases, excessive arms build-ups are fuelled by misperceptions or miscalculations resulting from a lack of information about arms acquisitions. There is an emerging consensus among countries that international security and stability would be well served by increased openness and transparency in the military field in general, including the area of arms transfer. It should be recalled in this context that the negotiations in recent years between the United States and the Union of Soviet Socialist Republics on the reduction of nuclear weapons, the agreement on conventional armed forces in Europe and the arrangements for confidence- and security-building measures in the framework of CSCE have involved dramatic cumulative advances in transparency in military affairs. The experience with enhanced transparency in terms of building confidence, reducing tensions and expanding the scope to negotiate agreements has been overwhelmingly positive.

151. Some States publish information of various kinds on military matters, including their arms transfers. It is also, however, currently a feature of arms transfers that they are often cloaked in secrecy. The people of the individual States concerned as well as the international community have a legitimate interest in having factual information on arms transfers because of their potentially significant consequences. It would, therefore, be in their interest that States publish in greater detail as much about arms transfers (together with information on other kinds of defence activities) as was feasible.

152. Openness can promote restraint in arms transfers. A prerequisite of openness in arms transfers is the ability of the State to know about such transfers, and restraint, be it on a unilateral or international basis, depends, inter alia, upon the ability of individual countries to know about and control arms transfers within their own territory. It is therefore of crucial importance that individual States enact and enforce legal instruments to control and monitor arms imports and exports effectively.

153. There is also potential for bilateral, regional and subregional measures of transparency. The scope of such measures would of course depend on the prevailing circumstances. They would essentially be confidence-building measures. They could include a wide variety of measures to exchange information on arms transfers and other military activities. The arrangements need not be static but could become progressively more comprehensive and detailed, as in a succession of mutually reinforcing responses, experience with and confidence in the benefits of the arrangements developed. This would facilitate the promotion of security at the lowest level of armaments. Transparency measures concerning arms transfers are not in themselves measures of limitation or restriction, but they can in several ways promote and facilitate the introduction of unilateral or multilateral measures of

restraint. The United Nations by reason of its prestige, its global membership and its influence can usefully encourage States to take initial steps towards regional measures of transparency and restraint in arms transfers.

154. The United Nations is uniquely suited to coordinate transparency efforts. A United Nations system should be set up without delay to collect, process and publish official standardized information on international arms transfers on a regular basis as supplied to the United Nations by Member States on their arms exports and imports. The resulting arms transfer register would form a complementary instrument to the information on military expenditure which the United Nations currently collects and collates. The mechanism and content of the arms transfer register would have to be worked out in detail within the United Nations.

155. Such a register should be on a universal and non-discriminatory basis, including suppliers and recipients. It would constitute a confidence-building measure, would promote restraint in international arms transfers and would provide countries with an indication of a build-up of arms manifestly excessive and destabilizing. A United Nations arms transfer register would therefore also constitute a very significant step forward in the role and effectiveness of the United Nations in maintaining international peace and security.

156. The systematic disclosure of arms transfers alone may not be seen by some as sufficient but it would achieve a significantly larger degree of transparency than now exists and could consequently promote restraint. It would be possible to supplement progressively such a register by introducing measures to promote transparency in other military matters such as military holdings and procurements, and military doctrines.

157. The illicit arms trade is a most disturbing and dangerous phenomenon. It has destabilizing and destructive effects, particularly for the internal situation of affected States. It is often associated with terrorism, drug-trafficking and organized crime. The illicit arms trade therefore should be condemned unequivocally and urgent action taken to stamp it out.

158. The illicit arms trade is by definition clandestine, so that transparency per se has only an indirect role to play in dealing with this phenomenon. The objective in this context is therefore eradication rather than transparency. It is fundamentally a question of maintaining effective, comprehensive and continuous control over military weapons to prevent their falling into the hands of unauthorized persons or, as necessary, their export and delivery.

159. Action to combat bribery and corruption, the maintenance of effective controls over the boundaries of States and, where applicable, the strengthening of relevant national laws and/or regulations and procedures are considered important in the efforts to eradicate the illicit arms trade.

160. There is already a trend towards the increased cooperation of law enforcement and customs services in this field. This is certainly an important way forward and should on all counts be encouraged. The practice of requiring import licences and/or end-use/end-user certificates or their equivalents for arms transfers is of great value in this area. But the requirement for such documents is not enough in itself. Recent experience has shown that to be an effective tool, the documents must be scrutinized and any discrepancy or suspicion followed up before the transfer is allowed. Greater emphasis should therefore be given to the training and in some cases the retraining of officers dealing with these matters. Greater cooperation between States on a regional level can contribute significantly to combating and eliminating the illicit arms trade. The United Nations can encourage such activity and assist States in numerous ways.

Recommendations

161. On the basis of this study and the foregoing conclusions concerning the role of transparency measures in promoting the goal of prudent restraint in international arms transfers, the Group of Experts has agreed on the following recommendations:

(a) States are encouraged to make all their military activities as open as practicable;

(b) States should ensure that they have in place the legal and administrative machinery for regulating and monitoring effectively their arms transfers;

(c) A universal and non-discriminatory arms transfer register under the auspices of the United Nations should be established as soon as possible. The specifics of the register should be developed in detail within the United Nations framework, based on the following broad characteristics:

(i) The register should be so designed as to permit its prompt implementation;

(ii) Participation in the register should be universal, including both arms suppliers and recipients;

(iii) The parameters of the register should be such as to allow standardized and comparable input from all States;

(iv) The register should be so designed and maintained as to provide meaningful information with regard to its purpose to build confidence, promote restraint in arms transfers on a unilateral, bilateral or multilateral basis to enhance security at lower levels of armaments, and allow timely identification of trends in arms transfers;

(v) The register set up should have a potential to expand to more comprehensive coverage, if required.

162. States should be encouraged to engage in efforts to achieve regional and subregional measures of transparency in relation to arms transfers by means of consultations, arrangements and agreements. This could also cover their security perceptions and concerns in the wider sense. This would facilitate the collection and sharing of factual information and make a significant additional contribution towards restraint in arms transfers and the goal of greater security at lower levels of armament. The United Nations should encourage such arrangements and, when practicable, take steps to assist in harmonizing them with the United Nations register of arms transfers.

163. The wider sharing of information on defence might be reflected in the provision of information to the United Nations or in the context of possible regional arrangements or both. It would supplement transparency in arms transfers and on matters such as arms procurement and holdings, military expenditures, the structures of armed forces and military doctrines.

164. All States should give high priority to eradicating the illicit arms trade and take urgent actions towards this end. In this context, States should:

(a) Ensure that they have in place an adequate body of national laws and/or regulations and procedures to ensure effective control of exports and imports of arms with a view to prevent them from getting into the hands of parties engaged in illicit arms trade;

(b) Endeavour to ensure effective control of borders with a view to preventing illicit arms trade;

(c) Maintain an effective system of arms import licences and delivery and end-use/end-user certificates or equivalent mechanisms, as appropriate;

(d) Provide for adequate numbers of customs officials appropriately trained effectively to enforce controls over the export and import of arms;

(e) Cooperate with one another at the bilateral, regional and global levels to provide customs and other information on trafficking and detection of illicit arms;

(f) Intensify their efforts against bribery and corruption.

165. The United Nations has a role to play in combating illicit arms trade: to facilitate the holding of meetings and seminars at the national, regional and international levels in an appropriate manner with a view to increasing awareness of the destructive and destabilizing effects of the illicit arms trade and to increase the understanding of other countries' procedures in order to facilitate cooperation.

Notes

1/ United Nations, Treaty Series, vol. 729, p. 161.

2/ Ibid., vol. 634, No. 9068, p. 326.

3/ See The United Nations Disarmament Yearbook, vol. 10: 1985 (United Nations publication, Sales No. E.86.IX.7), appendix VII.

4/ See Official Records of the General Assembly, Forty-fifth Session, Supplement No. 42 (A/45/42), para. 34.

5/ The United Nations Disarmament Yearbook, vol. 12: 1987 (United Nations publication, Sales No. E.88.IX.2), appendix VII.

APPENDIX I

General Assembly resolution 43/75 I of 7 December 1988 entitled "International arms transfers"

The General Assembly,

Reaffirming the central role of the United Nations in strengthening international peace and security and promoting disarmament,

Bearing in mind that, in accordance with the Charter of the United Nations, Member States have undertaken to promote the establishment and maintenance of international peace and security with the least diversion for armaments of the world's human and economic resources,

Also bearing in mind the inherent right to self-defence embodied in Article 51 of the Charter,

Taking into account the general principles outlined in paragraph 22 of the Final Document of the Tenth Special Session of the General Assembly, a/

Also taking into account the conclusions and recommendations of the United Nations studies entitled Study on Conventional Disarmament, b/ Study on all the Aspects of Regional Disarmament, c/ Study on the Economic and Social Consequences of the Arms Race and Military Expenditures, d/ The Relationship between Disarmament and Development, e/ Reduction of Military Budgets, f/ Relationship between Disarmament and International Security, g/ and Comprehensive Study on Confidence-building Measures, h/

Further taking into account the action programme set forth in the Final

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a/ Resolution S/10-2.

b/ United Nations publication, Sales No. E.85.IX.1.

c/ Ibid., Sales No. E.81.IX.2.

d/ Ibid., Sales No. E.89.IX.2.

e/ Ibid., Sales No. E.82.IX.1.

f/ Ibid., Sales No. E.86.IX.2.

g/ Ibid., Sales No. E.82.IX.4.

h/ Ibid., Sales No. E.82.IX.3.

Document of the International Conference on the Relationship between Disarmament and Development, i/

1. Expresses its conviction that arms transfers in all their aspects deserve serious consideration by the international community, inter alia, because of:

(a) Their potential effects in areas where tension and regional conflict threaten international peace and security and national security;

(b) Their known and potential negative effects on the process of the peaceful social and economic development of all peoples;

(c) Increasing illicit and covert arms trafficking;

2. Requests Member States to consider, inter alia, the following measures relating to these concerns:

(a) Reinforcement of their national systems of control and vigilance concerning production and transport of arms;

(b) Examination of ways and means of refraining from acquiring arms additional to those needed for legitimate national security requirements, taking into account the specific characteristics of each region;

(c) Examination of the ways and means of providing for more openness and transparency with regard to world-wide arms transfers;

3. Requests the Disarmament Commission to take into account the above-mentioned matters in its deliberations on the issue of conventional disarmament;

4. Requests the Secretary-General to seek the views and proposals of Member States on the matters contained in paragraphs 1 and 2 above and to collect all other relevant information for submission to the General Assembly at its forty-fourth session;

5. Also requests the Secretary-General to carry out thereafter, with the assistance of governmental experts, a study on ways and means of promoting transparency in international transfers of conventional arms on a universal and non-discriminatory basis, also taking into consideration the views of Member States as well as other relevant information, including that on the problem of illicit arms trade for submission to the General Assembly at its forty-sixth session;

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i/ Ibid., Sales No. E.87.IX.8.

6. Further requests the Secretary-General to make available, within the framework of the World Disarmament Campaign, information concerning the question of arms transfers and their consequences for international peace and security;

7. Decides to include in the provisional agenda of its forty-fourth session an item entitled "International arms transfers".

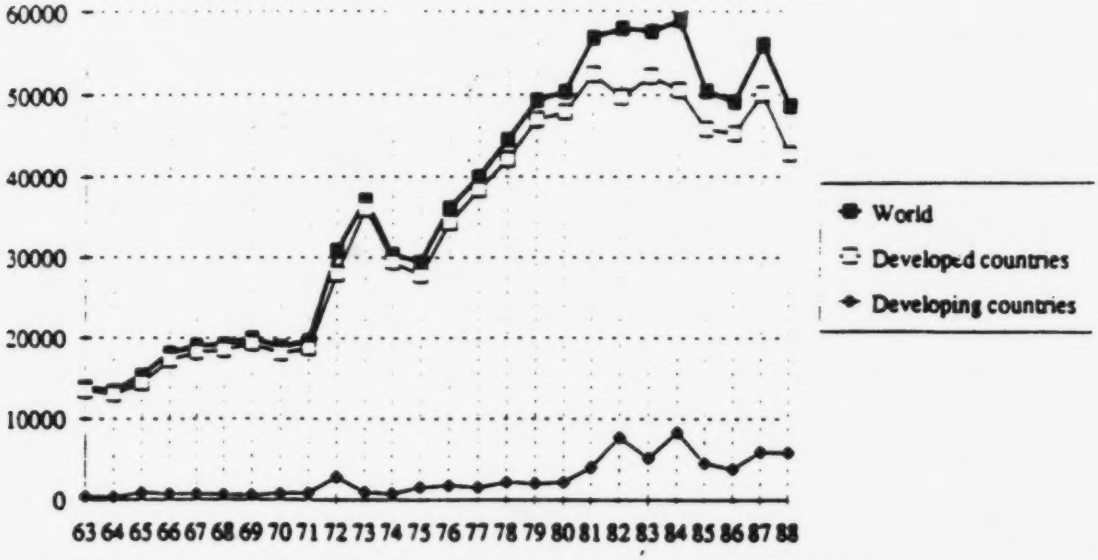
73rd plenary meeting
7 December 1988

APPENDIX II

METHODOLOGICAL NOTES TO STATISTICAL INFORMATION ON INTERNATIONAL TRANSFERS OF CONVENTIONAL ARMS

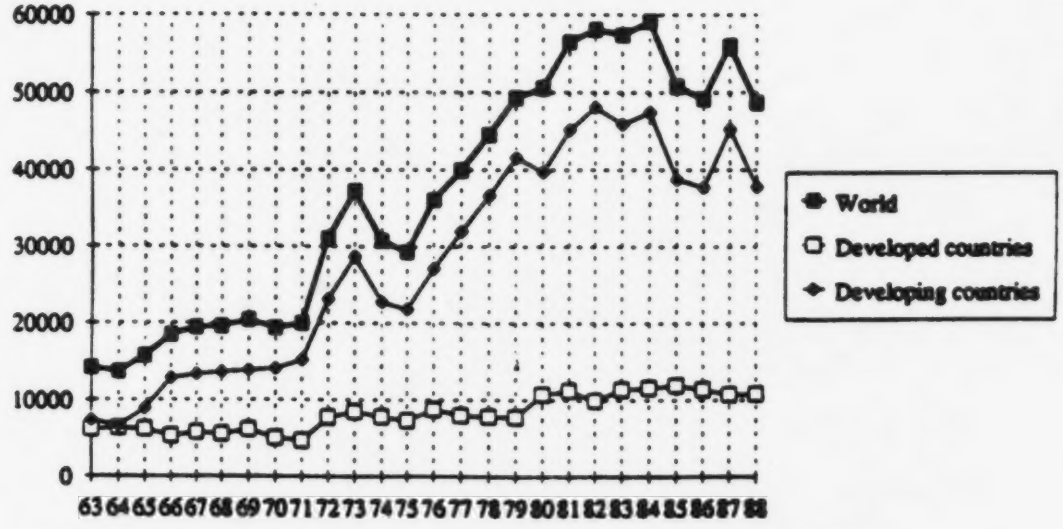
There are two sources of systematically compiled and regularly published quantitative information on conventional arms transfers, the Yearbook of the Stockholm International Peace Research Institute (SIPRI), and the annual publication by the United States Arms Control and Disarmament Agency (ACDA), "World Military Expenditures and Arms Transfers". Data from the two sources differ and are not directly comparable due to methodological differences. SIPRI covers aircraft, armour and artillery, guidance and radar systems, missiles and warships, but not small arms, artillery under 100 mm calibre, ammunition, support items, services and components. ACDA covers not only major weapons systems, but also small arms. The sources also differ in the method by which a monetary value is attributed to a particular arms transfer, the effective price of which may be known. A detailed discussion of the data is beyond the scope of this study. Even though both sources are not universally recognized by the international community, they are used to identify general trends in arms transfers.

Statistical information on the international transfer of conventional arms



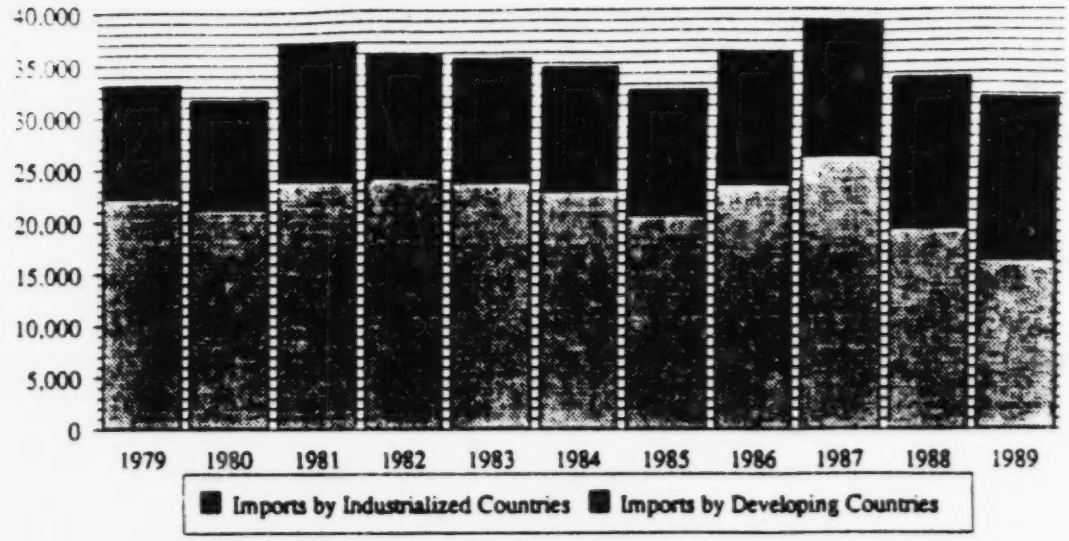
Arms Exports, 1963-1988 (in millions of constant 1988 US $)

Source: United States Arms Control Agency: World Military Expenditures and Arms Transfers, various issues. Washington, D.C.: US Government Printing Office.



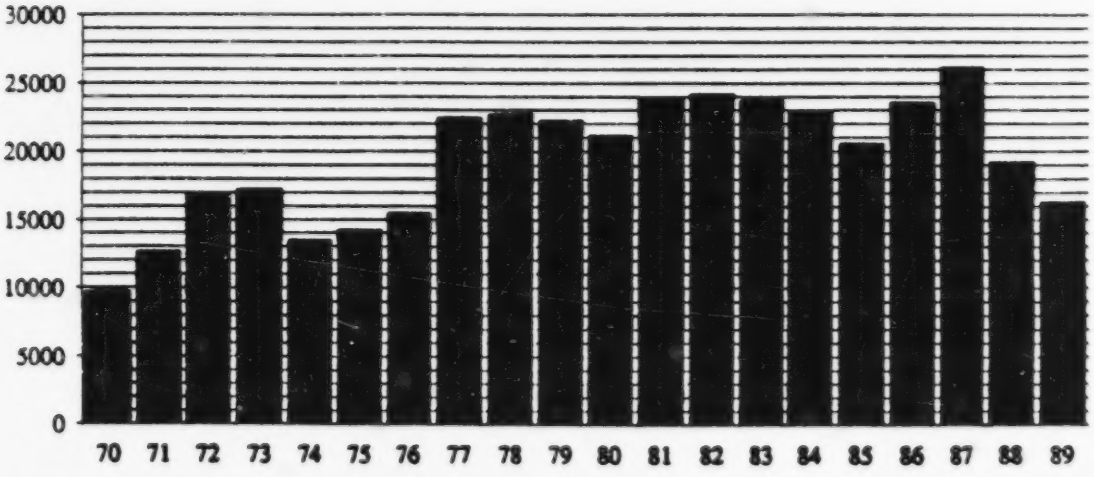
Arms Imports, 1963-1988 (in millions of constant 1988 US $)

Source: United States Arms Control Agency: World Military Expenditures and Arms Transfers, various issues. Washington, D.C.: US Government Printing Office.



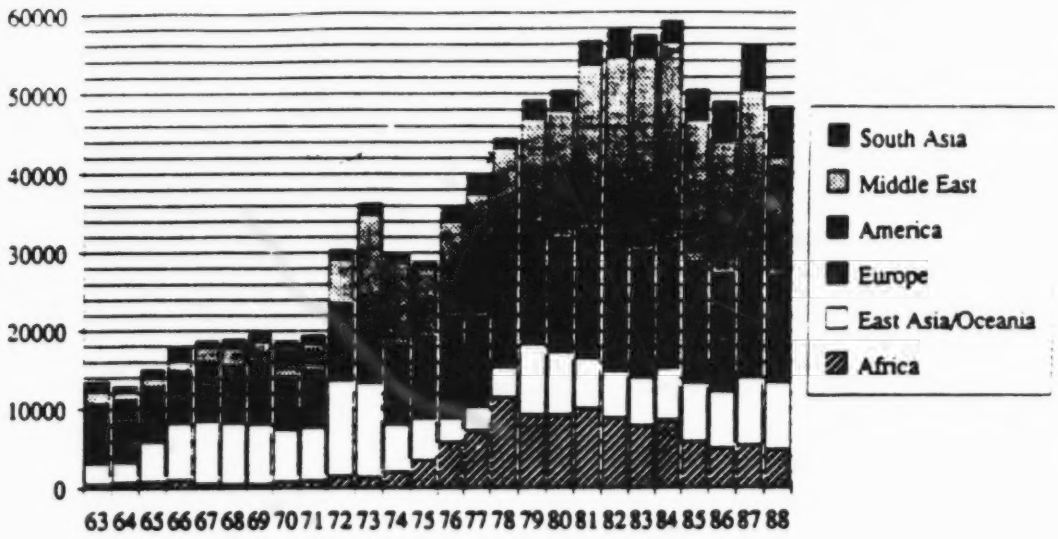
Arms Imports, 1979-1989 (in millions of 1985 US-$)

Source: Data supplied by the Stockholm International Peace Research Institute.



Arms Transfers to the Third World, 1970-89 (in millions of 1985 US-$)

Source: Stockholm International Peace Research Institute: World Armaments and Disarmament - SIPRI Yearbook 1990. Oxford: Oxford University Press 1990. pp. 250-251.



Regional Distribution of Arms Imports, 1963-88
(in millions of constant 1988 US $)

Source: United States Arms Control Agency: World Military Expenditures and Arms Transfers. various issues. Washington, D.C.: US Government Printing Office.